



Control Number: 49523



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State Office of Administrative Hearings

Kristofer Monson
Chief Administrative Law Judge

April 21, 2020

TO: Stephen Journeay, Commission Counsel
Commission Advising and Docket Management
William B. Travis State Office Building
1701 N. Congress, 7th Floor
Austin, Texas 78701

VIA EFILE TEXAS

RE: SOAH Docket No. 473-19-6766
PUC Docket No. 49523

Application of LCRA Transmission Services Corporation to Amend its Certificate of Convenience and Necessity for the Mountain Home 138-Kv Transmission Line in Gillespie, Kerr, and Kimble Counties

Enclosed is the Proposal for Decision (PFD) in the above-referenced case. By copy of this letter, the parties to this proceeding are being served with the PFD.

Please place this case on an open meeting agenda for the Commissioners' consideration. The deadline for a final order in this case under Texas Utilities Code § 37.057 is May 31, 2020. Please notify us and the parties of the open meeting date, as well as the deadlines for filing exceptions to the PFD, replies to the exceptions, and requests for oral argument.

Sincerely,

Beth Bierman
Administrative Law Judge

LINDA H. BRITT
Administrative Law Judge

Enclosure

xc: All Parties of Record

**SOAH DOCKET NO. 473-19-6766
PUC DOCKET NO. 49523**

APPLICATION OF LCRA	§	BEFORE THE STATE OFFICE
TRANSMISSION SERVICES	§	
CORPORATION TO AMEND ITS	§	
CERTIFICATE OF CONVENIENCE	§	
AND NECESSITY FOR THE	§	OF
MOUNTAIN HOME 138-KV	§	
TRANSMISSION LINE IN GILLESPIE,	§	
KERR, AND KIMBLE COUNTIES	§	ADMINISTRATIVE HEARINGS

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PROPOSAL FOR DECISION

I. INTRODUCTION AND SUMMARY

On May 31, 2019, LCRA Transmission Services Corporation (LCRA TSC) filed an application (Application) to amend its Certificate of Convenience and Necessity (CCN) for the proposed Mountain Home 138-kilovolt (kV) Transmission Line in Gillespie, Kerr, and Kimble Counties, Texas (the Project). The Project is a new 138-kV transmission line that will connect a new load-serving electric substation (Mountain Home Substation) to the existing Harper Substation to the north, and to either the existing Hunt Substation or the existing Ingram Substation to the south.

The entire Project will be approximately 21 to 30 miles in length, depending on the final route approved. LCRA TSC will install new transmission equipment at the new Mountain Home Substation, the Harper Substation, and either the Hunt Substation or the Ingram Substation. The route alternatives under consideration in this proceeding have an estimated total cost ranging between approximately \$61.2 million and \$74.2 million for transmission and substation facilities.

LCRA TSC initially identified 40 primary alternative routes (Routes Hunt 1-30 and Ingram 1-10) in its Application. Additional alternative routes were configured from route segments proposed by LCRA TSC in the Application, and modifications to existing segments (including Segments C5, V4, and W4) were developed and determined to be viable. These additional 18 routes are known as Hunt 31, 36, and 37; Ingram 11; Hunt 5A, 7A, 31A, 36A, and

37A; Hunt 1 Beta; Hunt 12 Beta; Hunt 13 Beta; Hunt 14 Beta; Hunt 20 Beta; Hunt 21 Beta; Hunt 22 Beta; Ingram 9 Beta; and Ingram 10 Beta.

The record evidence presented by LCRA TSC in the Application and its testimony provides cost estimates and land use and environmental data for all of these route alternatives, each of which, according to LCRA TSC's witnesses, satisfies the need for the Project and is viable and constructible.

At the time it filed its Application, and in accordance with the requirement in the Public Utility Commission of Texas (Commission or PUC) CCN application form, LCRA TSC identified Route Hunt 13 as the route that best addressed the Commission's routing criteria.¹ Commission Staff (Staff) presented evidence in support of Route Hunt 31 as the route that best addresses the Commission's routing criteria. Texas Parks and Wildlife Department (TPWD) supports Route Ingram 1. Other intervenors have supported different routes. The parties focused on six routes during the hearing: Ingram 1, and Hunt 5, 7, 31, 36, and 37. These six so-called "Rainbow routes" were presented on the "Rainbow map" admitted into evidence as LCRA TSC Exhibit 13. After the hearing, and with the subsequent modifications to Segment W4 based on the landowner consents, a modified Rainbow map was admitted post-hearing as LCRA TSC Exhibit 16. The revised Rainbow map shows Routes Ingram 1, and Hunt 5A, 7A, 31A, 36A, and 37A. The cost estimates and land use and environmental data for the five modified Hunt routes were admitted as LCRA TSC Exhibit 15. Because Routes Hunt 13 and 31 with the Segment W4 substitution would be the same, LCRA TSC only provided data for new Route Hunt 31A.

Staff supports the need for the Project. No intervening party presented a substantive evidentiary challenge to the need for the Project, but as discussed below, two intervenors questioned the need for the Project at the hearing and in post-hearing briefs.

¹ LCRA TSC Ex. 1 at 24; LCRA TSC Ex. 5 at 11.

After reviewing the evidentiary record, the factors set forth in Public Utility Regulatory Act (PURA)² § 37.056(c), the factors in 16 Texas Administrative Code (TAC) § 25.101, and the issues identified in the Order of Referral and Preliminary Order, the Administrative Law Judges (ALJs) recommend approval of Route Hunt 37A.

II. PROCEDURAL HISTORY

On July 8, 2019, the Commission ALJ found the Application to be sufficient and materially complete and approved LCRA TSC's provision of notice of the Application. On July 25, 2019, TPWD filed a letter with the Commission containing its comments and recommendations regarding the Project. On August 16, 2019, the Commission referred this case to the State Office of Administrative Hearings (SOAH) and identified a number of issues to be addressed.³ On September 9, 2019, the SOAH ALJs convened a prehearing conference in Austin, Texas, at which time a procedural schedule was adopted. Consistent with that schedule, on September 30, 2019, LCRA TSC filed the direct testimonies of Lance Wenmohs, Kristian Koellner, P.E., Lisa Meaux, and Curtis Symank in support of the Application.

More than 100 parties were granted intervention in this docket. Approximately 64 intervenor direct testimonies or statements of position were filed on or before the deadline of November 6, 2019.⁴ Of the parties initially granted intervention, 42 were dismissed from this docket for failure to file testimony or statements of position in accordance with SOAH Order No. 2.⁵ Staff filed the direct testimony of its witness, John Poole, on November 26, 2019, a first errata to Mr. Poole's testimony on December 6, 2019, and a second errata on January 21, 2020. Cross-rebuttal testimony was filed by three witnesses on behalf of different intervenors or intervenor groups. Thereafter, on December 9, 2019, LCRA TSC filed limited rebuttal testimony from each of its four witnesses.

² Tex. Util. Code §§ 11.001-66.016.

³ Order of Referral and Preliminary Order (Aug. 16, 2019) (Preliminary Order).

⁴ In some instances, testimony was filed on behalf of numerous parties.

⁵ See SOAH Order No. 4 (Dec. 3, 2019).

A hearing on the merits convened before SOAH ALJs Beth Bierman and Linda Brite on January 21-22, 2020. The following parties made appearances, either personally or through their legal counsel, and participated in the hearing on the merits: LCRA TSC; Staff; TPWD; Apache Springs LP (Apache Springs); Welch Creek Partners, Ltd.; Keith and Tanya J. Olive; Nancy Olive; TRT Ranch Corporation; Maximino “Max” Michel-Gonzalez, d/b/a Beta Real Estate LLC and Savoy Ltd. (Beta/Savoy); Zorritos, LLC; Fronie Shelton; Bar J Bar Ranch, LP; Jack Clark; the Hill Country Youth Ranch; the Henderson Branch Landowners;⁶ the Byas Springs Landowners;⁷ the Stevens Ranch Landowners;⁸ the Aligned Segment A & C Mountain Home Landowners;⁹ Nancy S. Wallace Family Trust; Wallace Family Trust; Irene Allison Thomas Family Trust; Arthur P. Allison, Jr.; Arthur P. Allison Jr. Family Trust; Donald and Nancy Swanson; Vorpahl Ranch, L.P.;¹⁰ Creek House Ranch LLC (Creek House); Jack and Leah Yarbrough; Richard and Stephanie Ertel; Debra Slapak; Jody Kirksey; Kari Short; and Sara Ayala.¹¹

The evidentiary record closed on February 5, 2020, after the filing of supplemental rebuttal testimony of Mr. Wenmohs and additional exhibits related to the addition of Segment W4 and Routes Hunt 5A, 7A, 31A, 36A, and 37A. SOAH Order No. 6, issued February 6, 2020, admitted LCRA TSC Exhibits 14-16. The hearing record closed on February 21, 2020, after the filing of

⁶ The Henderson Branch Landowners are Bruce and Cathy Barton, Glenna Heavin, Randy and Genie Norris, Neely Ranches, LLC, and Rockchalk K-Tex Investments LP.

⁷ The Byas Springs Landowners are David K. Murray and Lin Zhang, and Robert and Louisa Qualls.

⁸ The Stevens Ranch Landowners are William Gibson, Stevens Ranch Road Maintenance Association, PMG Enterprises LLC, Kayleb Priour and Kara Nelson, Eric and Dianne Wiltz, and Eden and Laura Olguin.

⁹ The Aligned Segment A & C Mountain Home Landowners are Guy S. Lipe and Robin J. Lipe, William “Andy” Durham and Susan M. Gallagher, Ron Bell and Susi Bell, Robert Wakefield and Mary Jane Wakefield, West Honey Creek Ranch Limited Partnership, by West HCR GP LLC, by John H. Duncan, Jr., President, East Honey Creek Ranch Limited Partnership, by East HCR GP LLC, by Nena Marsh, President, Janet Meek, Luke Smith and Kristen Smith, Mike Royer and Shelley Royer, Nathalie Dumais, Richard McDugald and Martha McDugald, Marsha Elmore, Rudolph and Janet Winzinger, Tracy Belew, Mike and Janelle Carothers, Pat Stone, and Pete and Vicki Moore.

¹⁰ The late-filed motion to intervene of Vorpahl Ranch, LP, was granted on the record at the hearing.

¹¹ Numerous intervenors who pre-filed testimony did not appear at the hearing or otherwise offer their testimony. Any such pre-filed testimony was not admitted at the hearing and is not in the evidentiary record for consideration in this proceeding.

written closing briefs. SOAH Order No. 7, issued March 10, 2020, admitted Stephen B. Schulte Exhibit 1 into the evidentiary record.

III. JURISDICTION

The Commission has jurisdiction over LCRA TSC's Application under PURA §§ 14.001, 32.001, 37.051, 37.053, 37.054, and 37.056. SOAH has jurisdiction to conduct a hearing and render a proposal for decision on the Application under PURA § 14.053 and Texas Government Code § 2003.049.

IV. NOTICE

No party challenged the sufficiency of LCRA TSC's notice of its Application. Commission Order No. 5, issued on July 8, 2019, approved LCRA TSC's provision of notice and the language of the notice.¹² After development of Segment C5, which was not in LCRA TSC's Application, Creek House contended in its brief that LCRA TSC failed to notify newly affected landowners of open house meetings, citing 16 TAC § 22.52(a)(4). That rule requires direct mail notice of the public meeting be sent to each person listed on the current county tax rolls as an owner of land within 300 feet of the centerline of the project.

LCRA TSC, Staff, and Aligned Segment A & C Mountain Home Landowners disagree with Creek House. LCRA TSC cites 16 TAC § 22.52(a)(3)(C), which provides: "[b]efore final approval of any modification in the applicant's proposed route(s), applicant shall provide notice as required under subparagraphs (A) and (B) of this paragraph to all directly affected landowners who have not already received such notice." 16 TAC § 22.52(a)(3) states that "land is directly affected if an easement or other property interest would be obtained over all or any portion of it, or if it contains a habitable structure that would be within 300 feet of the centerline of a transmission project of 230kV or less"

¹² Commission Order No. 5 Addressing Sufficiency of Application and Notice; Establishing Procedural Schedule (July 8, 2019) (Commission Order No. 5).

LCRA TSC contends that the rule does not require notice to *any* landowner within 300 feet of the centerline, but rather to any landowner whose land is crossed (i.e., an easement or other property interest is necessary for the routing) or who has a habitable structure within 300 feet of the centerline of the Project. Because it provided notice to all landowners directly affected by Segment C5, consistent with 16 TAC § 22.52(a)(3)(C), LCRA TSC argues that any routes containing Segment C5 are viable, contrary to Creek House's assertions. Staff also considers Segment C5 to be a viable segment.¹³ The ALJs concur with LCRA TSC and Staff that LCRA TSC complied with the notice requirements of 16 TAC § 22.52(a)(1)-(4) and this docket was processed in accordance with PURA § 37.054. The record evidence establishes that notice is adequate. The details of the notice LCRA TSC provided will be addressed below in the findings of fact.

V. PRELIMINARY ORDER ISSUES

A. Preliminary Order Issue No. 1

Is LCRA TSC's application to amend its CCN adequate? Does the application contain an adequate number of reasonably differentiated alternative routes to conduct a proper evaluation? In answering this question, consideration must be given to the number of proposed alternatives, the locations of the proposed transmission line, and any associated proposed facilities that influence the location of the line. Consideration may also be given to the facts and circumstances specific to the geographic area under consideration, and to any analysis and reasoned justification presented for a limited number of alternative routes. A limited number of alternative routes is not in itself a sufficient basis for finding an application inadequate when the facts and circumstances or a reasoned justification demonstrates a reasonable basis for presenting a limited number of alternatives. If an adequate number of routes is not presented in the application, the ALJ must allow LCRA TSC to amend the application and to provide proper notice to affected landowners; if LCRA TSC chooses not to amend the application, the ALJ may dismiss the case without prejudice.

¹³ Tr. 294:23-25 (Poole Cross) (Jan. 22, 2020).

Commission Order No. 5 deemed LCRA TSC's Application sufficient and materially complete.¹⁴ No party submitted evidence challenging the sufficiency of LCRA TSC's Application. The record evidence establishes that LCRA TSC's Application is adequate.¹⁵

LCRA TSC witnesses Mr. Wenmohs and Ms. Meaux testified regarding the adequacy of the routes proposed by LCRA TSC.¹⁶ Together with its routing consultant, POWER Engineers (POWER), LCRA TSC initially developed and evaluated 40 geographically diverse alternative routes (Routes Hunt 1-30 and Ingram 1-10), comprising 119 primary alternative route segments that can be combined into a wide variety of alternate routes.¹⁷ Ultimately, 18 additional viable routes (Route Hunt 31;¹⁸ Routes Hunt 36 and 37;¹⁹ Route Ingram 11;²⁰ Routes Hunt 5A, 7A, 31A, 36A, and 37A;²¹ and Routes Hunt 1 Beta, Hunt 12 Beta, Hunt 13 Beta, Hunt 14 Beta, Hunt 20 Beta, Hunt 21 Beta, Hunt 22 Beta, Ingram 9 Beta, and Ingram 10 Beta²²) were identified from combinations of alternative route segments presented in the Application²³ and modifications to existing segments (including Segments C5, V4, and W4).²⁴ No party raised a route adequacy challenge. Accordingly, the record evidence supports a finding that the Application is sufficient and contains an adequate number of reasonably differentiated alternative routes for the Commission to conduct a proper evaluation.

¹⁴ Commission Order No. 5.

¹⁵ LCRA TSC Ex. 1; *see also* 16 Tex. Admin. Code (TAC) § 22.75(d)(2) (deeming application sufficient if no written order finding a material deficiency is issued within 35 days after filing of the application).

¹⁶ LCRA TSC Ex. 7 at 21; LCRA TSC Ex. 5 at 11.

¹⁷ LCRA TSC Ex. 5 at 11-12; LCRA TSC Ex. 7 at 10-11.

¹⁸ LCRA TSC Ex. 9 at 5.

¹⁹ LCRA TSC Ex. 9 at 4-5.

²⁰ LCRA TSC Ex. 15.

²¹ LCRA TSC Ex. 14 at 6.

²² LCRA TSC Ex. 9 at 6.

²³ LCRA TSC Ex. 12 at 11-12; LCRA TSC Ex. 9 at 4-6.

²⁴ LCRA TSC Ex. 9 at 4; LCRA TSC Ex. 14 at 5-7.

B. Preliminary Order Issue No. 2

Are the proposed facilities necessary for the service, accommodation, convenience, or safety of the public within the meaning of PURA § 37.056(a), taking into account the factors set out in PURA § 37.056(c)? In addition,

- a) How does the proposed facility support the reliability and adequacy of the interconnected transmission system?**
- b) Does the proposed facility facilitate robust wholesale competition?**
- c) What recommendation, if any, has an independent organization, as defined in PURA § 39.151, made regarding the proposed facility?**
- d) Is the proposed facility needed to interconnect a new transmission service customer?**

Richard Ertel and Stephanie Ertel argued in their briefs that LCRA TSC had not shown that there was a need for the Project or that the proposed transmission line was a better option than distribution facilities or distributed energy options to meet the need identified in the Application. Ms. Ertel faulted LCRA TSC witnesses for being unable to fully answer questions regarding current commercial activity or future demand, and for being unable to identify business development in the Project area. Mr. Ertel contended that LCRA TSC did not separate data for the rural areas when considering load growth. He argued that an aggregate load growth number that combined the urban and rural areas was inadequate to establish need in the rural areas of the Project area.

However, the record evidence establishes the Project is necessary for the service, accommodation, convenience, and safety of the public. The evidence established that the Project is needed to meet the existing and forecasted retail electric service demand of customers in Gillespie, Kerr, and Kimble Counties and to address reliability risks associated with continuing to serve the area's electric load requirements using the existing load-serving substations.²⁵

Mountain Home is located along Interstate Highway (IH) 10 west of Kerrville near the intersection of State Highway 41 and State Highway 27 between Harper to the northeast and Garven Store to the southwest. A new 138-kV transmission line is needed in order to serve the

²⁵ LCRA TSC Ex. 6 at 21.

new Mountain Home Substation since there are no existing 138-kV transmission lines within seven miles of the proposed substation location. Load growth at a compound annual growth rate of approximately 2 percent in western Gillespie and western Kerr Counties has resulted in a combined winter loading level in excess of 20 megawatts (MW) (approximately 10 percent of Central Texas Electric Cooperative's (CTEC's) consumer load) served by a single radial 69-kV transmission line extending from Fredericksburg to the communities of Harper and Doss. This loading in excess of 20 MW on this single radial 69-kV line is an LCRA TSC criteria violation that threatens reliability.

The absence of existing substations near the areas of higher consumer density along IH 10 has resulted in long and heavily loaded distribution feeders serving this area. CTEC planning criteria limit distribution feeder loading to 6 MW. CTEC conducted a distribution study that demonstrated that at least two feeders at the Harper Substation will exceed this 6 MW criterion by the winter of 2020. Further, the study demonstrated that overloads will occur on the 138/69-kV autotransformers at the Gillespie and Fredericksburg Substations under current conditions. These concerns require construction of a new load-serving substation in the Mountain Home area.

Absent the Project, over time the increasing load will outstrip the distribution system's ability to perform at levels required by utility planning criteria. Low voltage conditions and overloaded conductors will occur that place customer load at risk of outage, damage, or mis-operation. An excessive amount of voltage-regulating equipment will also be required, leading to complexity, operation and maintenance concerns, and the potential for mis-coordination.

Staff agrees the Project is needed to address load growth in western Gillespie and western Kerr Counties, and is the best way to address the reliability issues resulting from the load growth on the substations currently served by the Live Oak-Harper-Doss 69-kV transmission line.²⁶

²⁶ Staff Ex. 2 at 18.

1. How does the proposed facility support the reliability and adequacy of the interconnected transmission system?

Without the Project, CTEC and LCRA TSC have determined there is a likelihood of future violations of their distribution and transmission planning criteria from load growth in the area.²⁷ Specifically, LCRA TSC and CTEC identified four planning criteria violations in the existing system that require system improvement: (1) distribution feeders that exceed the 6 MW load limit established by CTEC's planning criteria; (2) total load at the Harper and Doss Substations, served by a radial transmission line, in excess of 20 MW, which exceeds the CTEC and LCRA TSC Transmission System Planning Criteria; (3) overloads on autotransformers at the Gillespie and Fredericksburg Substations; and (4) low voltage at the Harper and Doss Substations.²⁸

LCRA TSC presented the Project (including transmission alternatives considered and addressed in response to Question 15 of the Application) for review by Electric Reliability Council of Texas (ERCOT) staff and the ERCOT Regional Planning Group (RPG) on November 18, 2016.²⁹ Kerrville Public Utility Board (KPUB) and Bandera Electric Cooperative (BEC) filed comments supporting the Project during the ERCOT RPG review process.³⁰ Following its review, ERCOT staff designated the Project as a Tier 4 Neutral Project on September 24, 2017.³¹ ERCOT staff determined the Project will not result in any violations of North American Electric Reliability Corporation (NERC) or ERCOT performance requirements.³²

2. Does the proposed facility facilitate robust wholesale competition?

According to LCRA TSC, the Project is needed to address reliability needs of existing and future consumers based on actual and forecasted electric load and identified system limitations in

²⁷ LCRA TSC Ex. 6 at 13, 18; LCRA TSC Ex. 1 at 20-21.

²⁸ LCRA TSC Ex. 1 at 21; LCRA TSC Ex. 6 at 13.

²⁹ LCRA TSC Ex. 6 at 9; LCRA TSC Ex. 1 at 22.

³⁰ LCRA TSC Ex. 1 at 4.

³¹ LCRA TSC Ex. 6 at 9; LCRA TSC Ex. 1 at 4-5.

³² LCRA TSC Ex. 6 at 9; LCRA TSC Ex. 1 at 4-5.

meeting this electric load; thus, the ALJs find it is not specifically intended for the purpose of facilitating wholesale competition.

3. What recommendation, if any, has an independent organization, as defined in PURA § 39.151, made regarding the proposed facility?

As noted above, LCRA TSC presented the Project (including all transmission alternatives considered and noted in response to Question 15 of the Application) for review by ERCOT staff and the ERCOT RPG on November 18, 2016. KPUB and BEC filed comments supporting the Project, and ERCOT staff designated it as a Tier 4 Neutral Project and determined it will not result in any violations of NERC or ERCOT performance requirements.³³

4. Is the proposed facility needed to interconnect a new transmission service customer?

The Project is needed to address reliability needs of existing and future end-use consumers based on actual and forecasted electric load and identified system limitations in meeting this electric load.³⁴ Accordingly, the Project is not needed to interconnect a new transmission service customer.

C. Preliminary Order Issue No. 3

Is the transmission project the better option to meet this need when compared to employing distribution facilities? If LCRA TSC is not subject to the unbundling requirements of PURA § 39.051, is the project the better option to meet the need when compared to a combination of distributed generation and energy efficiency?

As discussed above, the Ertels contended that the transmission project was not needed and that LCRA TSC did not adequately address distribution-only solutions. Because LCRA TSC is subject to the unbundling requirements of PURA, it is not required to consider distributed generation in demonstrating the need for the Project.³⁵ Nonetheless, LCRA TSC considered a

³³ LCRA TSC Ex. 6 at 9; LCRA TSC Ex. 1 at 4-5.

³⁴ LCRA TSC Ex. 6 at 20.

³⁵ LCRA TSC Ex. 6 at 20.

distribution-only alternative.³⁶ The record evidence establishes that distribution alternatives are not adequate to resolve the need for the Project.

D. Preliminary Order Issue No. 4

Which proposed transmission line route is the best alternative weighing the factors set forth in PURA § 37.056(c) and 16 Tex. Admin. Code (TAC) § 25.101(b)(3)(B)?

Ms. Meaux, a Project Manager/Department Manager with POWER, testified that LCRA TSC retained POWER to perform and prepare an Environmental Assessment (EA) and routing study for the Project.³⁷ Ms. Meaux noted that the POWER project team included professionals with expertise in different environmental and land use disciplines (geology/soils, hydrology/water quality, terrestrial ecology, wetland ecology, land use/aesthetics, and cultural resources) who were involved in data acquisition, routing analysis, and environmental assessment for the Project.³⁸ She explained that, to identify preliminary alternative route segments for the Project, POWER delineated a study area, sought public official and agency input, gathered data regarding the study area, performed constraints mapping, identified preliminary alternative route segments and alternative substation sites, and reviewed and adjusted the preliminary alternative route segments and alternative substation sites following field reconnaissance and the open house meetings.³⁹

From the preliminary alternative route segments, POWER and LCRA TSC identified 40 reasonable, feasible primary alternative routes.⁴⁰ Ms. Meaux testified that POWER considered a variety of information, including input from the public and public officials, geographic diversity within the study area, and an inventory and tabulation of a number of environmental and land use criteria.⁴¹ She stated that LCRA TSC reviewed the primary alternative routes with regard to cost,

³⁶ LCRA TSC Ex. 6 at 14.

³⁷ LCRA TSC Ex. 7 at 5.

³⁸ LCRA TSC Ex. 7 at 5.

³⁹ LCRA TSC Ex. 7 at 7.

⁴⁰ LCRA TSC Ex. 7 at 11.

⁴¹ LCRA TSC Ex. 7 at 10.

construction, engineering, and right-of-way (ROW) maintenance issues and constraints, and conducted field reviews.⁴² According to Ms. Meaux, the route development process produced an acceptable number of alternatives, all of which comply with the routing requirements of PURA § 37.056(c) and 16 TAC § 25.101(b)(3)(B), including the Commission's policy of prudent avoidance.⁴³ At the time it filed its Application, and in accordance with the requirement in the Commission's CCN application form, LCRA TSC identified Route Hunt 13 as the route that best addressed the Commission's routing criteria for the reasons included in response to Question 17 of the Application.⁴⁴

During this proceeding, additional viable routes utilizing existing route segments presented in LCRA TSC's Application and modifications to those segments (including Segments C5, V4, and W4)⁴⁵ were identified: Route Hunt 31;⁴⁶ Routes Hunt 36 and 37;⁴⁷ Routes Hunt 5A, 7A, 31A, 36A, and 37A;⁴⁸ Route Ingram 11;⁴⁹ and Routes Hunt 1 Beta, Hunt 12 Beta, Hunt 13 Beta, Hunt 14 Beta, Hunt 20 Beta, Hunt 21 Beta, Hunt 22 Beta, Ingram 9 Beta, and Ingram 10 Beta.⁵⁰ This brings the total number of potential viable alternative routes identified in this proceeding to 58. LCRA TSC's witnesses testified that all 40 routes proposed by LCRA TSC in its Application, as well as the 18 additional alternative routes identified after the Application was filed, are viable and constructible route alternatives that address the purpose and need for the Project.⁵¹ According to LCRA TSC's witnesses, all 58 routes can be feasibly constructed, operated, and maintained by

⁴² LCRA TSC Ex. 7 at 12.

⁴³ LCRA TSC Ex. 7 at 9, 22.

⁴⁴ LCRA TSC Ex. 1 at 24; LCRA TSC Ex. 5 at 11.

⁴⁵ LCRA TSC Ex. 9 at 4; LCRA TSC Ex. 14 at 5-7.

⁴⁶ LCRA TSC Ex. 9 at 5.

⁴⁷ LCRA TSC Ex. 9 at 4-5.

⁴⁸ LCRA TSC Ex. 14 at 6.

⁴⁹ LCRA TSC Ex. 15.

⁵⁰ LCRA TSC Ex. 9 at 6.

⁵¹ LCRA TSC Ex. 12 at 5; LCRA TSC Ex. 9 at 4; LCRA TSC Ex. 14 at 5-7.

LCRA TSC.⁵² LCRA TSC's witnesses confirmed all 58 routes under consideration comply with the routing requirements of PURA § 37.056(c)(4) and 16 TAC § 25.101.⁵³

Staff, TPWD, and many of the intervenors who actively participated in this proceeding supported different routes as best meeting the criteria set forth in PURA § 37.056(c) and 16 TAC § 25.101(b)(3)(B).

As described and analyzed below, the ALJs conclude that the evidence supports Route Hunt 37A as the best route for the Project. Route Hunt 37A avoids routing concerns expressed by a large majority of the intervenors. Only intervenors Creek House and Vorpahl Ranch, L.P. opposed Route Hunt 37A in their post-hearing briefs, favoring Route Hunt 7A instead.⁵⁴

1. Effect of Granting Certificate on LCRA TSC and Any Electric Utility Serving the Proximate Area

Electric utilities serving the proximate area of the Project include CTEC, Pedernales Electric Cooperative (PEC), BEC, and KPUB. The Application explains that electric service requirements for many current and future end-use customers within the area will be met by CTEC with the installation of the new electric load-serving substation associated with the Project. According to the Application, the new substation will provide the electrical source to supply existing and future electrical loads in the area. The new substation will also increase the reliability of service to the broader area served by PEC, BEC, and KPUB.⁵⁵ ERCOT market participants KPUB and BEC filed comments in support of the Project.⁵⁶

⁵² LCRA TSC Ex. 11 at 9; LCRA TSC Ex. 12 at 6; LCRA TSC Ex. 9 at 4; LCRA TSC Ex. 14 at 5-7.

⁵³ LCRA TSC Ex. 5 at 11-12; LCRA TSC Ex. 9 at 4; LCRA TSC Ex. 14 at 5-7.

⁵⁴ Opposition to Route Hunt 37A was indicated in the testimony of Stevens Ranch and the position statements of Sara Ayala, Gerhard and Kathleen Bergman, and Philip Johnston.

⁵⁵ LCRA TSC Ex. 1 at 12-13.

⁵⁶ LCRA TSC Ex. 6 at 9.

2. Community Values

PURA § 37.056(c)(4)(A) requires consideration of impacts of proposed transmission facilities on community values. While “community values” is not formally defined in statute or rule, the Commission has previously defined community values as “a shared appreciation of an area or other mutual resource by a national, regional, or local community.”⁵⁷ In considering the potential impacts of the Project on the community within the study area, LCRA TSC contends it made a reasonable effort to identify alternative routes, segments, and potential routing modifications that accounted for and addressed community values, along with other statutory and regulatory criteria.

One means of measuring the impact of the proposed transmission line on the community is a consideration of how close the line is to habitable structures. The Commission’s rules mandate that a utility give notice to any landowner who has a habitable structure within 300 feet of the centerline. Thus, the number of structures 300 feet from the centerline provides some objective data to assist in determining how the proposed transmission line may affect a community.

To identify community values in the area of the Project, LCRA TSC gathered information in a variety of ways. Early in the development of the Project, LCRA TSC and POWER solicited input from federal, state, and local government agencies and officials.⁵⁸ LCRA TSC held two public open house meetings for the Project, on June 26, 2018,⁵⁹ and November 7, 2018.⁶⁰

LCRA TSC presented evidence that 238 people signed in as attending the first public open house meeting on June 26, 2018, at the Mountain Home Volunteer Fire Department in Mountain

⁵⁷ *Joint Application of Electric Transmission Texas, LLC and Sharyland Utilities to Amend Their Certificates of Convenience and Necessity for the North Edinburg to Loma Alta Double-Circuit 345-kV Transmission Line in Hidalgo and Cameron Counties, Texas*, Docket No. 41606, Order at 8-9, Finding of Fact No. 51 (Apr. 11, 2014).

⁵⁸ LCRA TSC Ex. 1, Attachment 1 at 4-8 through 4-10.

⁵⁹ LCRA TSC Ex. 1 at 40.

⁶⁰ LCRA TSC Ex. 1 at 31.

Home, Texas.⁶¹ LCRA TSC's evidence showed that attendees were provided questionnaires, and LCRA TSC received 172 completed questionnaires from this open house meeting.⁶²

LCRA TSC presented evidence that 130 people signed in as attending the second public open house meeting on November 7, 2018, at the Ingram Tom Moore High School in Ingram, Texas.⁶³ LCRA TSC's evidence showed that attendees were provided questionnaires, and LCRA TSC received 106 completed questionnaires from the Ingram open house meeting.⁶⁴

According to LCRA TSC's Application, the purpose of the open house meetings was to solicit input from landowners, public officials, and other interested persons about the Project, the preliminary alternative route segments, and the alternative substation sites. Further, as LCRA TSC explained in its Application, the open house meetings were designed to promote a better understanding of the Project, including the purpose, need, potential benefits and impacts, and PUC certification process; inform the public of the routing procedure, schedule, and route approval process; and gather and understand the values and concerns of the public and community leaders.⁶⁵

According to LCRA TSC, the concerns generally expressed by the public in the questionnaires regarding the Project included: proximity of the routes and substation locations to homes; potential environmental impacts to wildlife habitat, trees, springs, and streams; aesthetic or visual impacts caused by visibility of the proposed transmission facilities; impacts to property values; and impacts on agricultural, recreational, residential, aviation or other land uses.⁶⁶ LCRA TSC evaluated and considered the public feedback in determining the routes to be included in the Application. Based on input, comments, and information received at and following the open house meetings, and additional analyses conducted by LCRA TSC and POWER, Ms. Meaux

⁶¹ LCRA TSC Ex. 1 at 40.

⁶² LCRA TSC Ex. 1, Attachment 1 at 4-4.

⁶³ LCRA TSC Ex. 1 at 41.

⁶⁴ LCRA TSC Ex. 1, Attachment 1 at 4-4.

⁶⁵ LCRA TSC Ex. 1, Attachment 1 at 4-3.

⁶⁶ LCRA TSC Ex. 1, Attachment 1 at 4-7.

testified that four preliminary route segments were added, 14 preliminary alternative route segments were modified, and three preliminary alternative route segments were removed.⁶⁷

On March 1, 2018, written information was provided to the Department of Defense (DOD) about the study area and the nature of the Project. On May 23, 2018, DOD reported that the Project will have minimal impact on military operations conducted in the area.⁶⁸

One of the more common concerns expressed by the public was in regard to the construction and operation of the Project in residential areas and/or in proximity to habitable structures. The study area is primarily rural with concentrations of residential and commercial development.⁶⁹ The predominant land use within the study area is rangeland and pastureland.⁷⁰ According to the EA, none of the identified routes traverses a heavily populated residential area. Whenever possible, LCRA TSC and POWER avoided identifying alternative route segments near habitable structures.⁷¹ Given the length of the routes, a relatively small number of habitable structures are located within 300 feet of the centerline of any specific route.

The lengths of the primary alternative routes under consideration range from 61.22 to 70.77 miles.

Route Ingram 2 has the greatest number of habitable structures within 300 feet of the centerline of any route, at 76. Route Hunt 18 has the lowest number of habitable structures within 300 feet of the centerline of any route, at 23.⁷²

Route Hunt 37A reflects a relatively low number (37) of habitable structures within 300 feet of the centerline in comparison to the other routes, only 14 more than the route that

⁶⁷ LCRA TSC Ex. 7 at 12-14; LCRA TSC Ex. 1, Attachment 1 at 4-10 through 4-13.

⁶⁸ LCRA TSC Ex. 1, Attachment 1 at Appendix. A.

⁶⁹ LCRA TSC Ex. 1, Attachment 1 at 2-53.

⁷⁰ LCRA TSC Ex. 1, Attachment 1 at 2-53.

⁷¹ LCRA TSC Ex. 1, Attachment 1 at 3-1 and 3-2.

⁷² LCRA TSC Ex. 15.

impacts the least habitable structures. Route Hunt 37A, at 84 percent, has a significantly higher percentage of length paralleling or using existing ROW or property lines than the route identified by LCRA TSC as meeting the most statutory and regulatory criteria (Route Hunt 13), with only 79 percent. Therefore, the ALJs conclude that Route Hunt 37A is better positioned than Route Hunt 13 in regard to the measurable data pertaining to community values. The other issues that pertain to community values, such as aesthetics, environmental integrity, use of existing corridors, and parks are discussed separately below.

3. Recreational and Park Areas

Although property owners use much of the land in the study area for recreational activities, POWER determined there are only a few park and recreational areas in the study area as defined by the Commission's Standard Application for a CCN.⁷³ Park and recreational areas within the study area are described in Section 5.2.5 of the EA and depicted on Table 5-1. None of the alternative routes directly crosses any park or recreational areas as defined by the Commission's Standard Application for a CCN.⁷⁴ There are only two park or recreational areas located within 1,000 feet of the centerline of any of the alternative routes. Only three routes have any park or recreational areas within 1,000 feet of their centerline: Routes Ingram 1, Ingram 7, and Ingram 11. Those three routes have only two park or recreational areas, both Texas Department of Transportation Rest Areas, within 1,000 feet of its centerline.⁷⁵

LCRA TSC noted in its Application that, during construction, minor and temporary disruption to recreational users of the IH 10 Rest Area East Bound may occur; however, long-term impacts are not anticipated. Upon Project completion, recreational activities within these areas would be anticipated to resume. No evidence was submitted to contravene LCRA TSC's assertion that no significant impacts to the use of the parks and recreation facilities located within the study area are anticipated from any of the primary alternative routes.⁷⁶ The ALJs conclude that no

⁷³ LCRA TSC Ex. 1, Attachment 1 at 5-33 and 5-34, and Table 5-1; LCRA TSC Ex. 15.

⁷⁴ LCRA TSC Ex. 1, Attachment 1 at 5-33, 5-34, and Table 5-1; LCRA TSC Ex. 15.

⁷⁵ LCRA TSC Ex. 1, Attachment 1 at 5-33, 5-34, and Table 5-1; LCRA TSC Ex. 15.

⁷⁶ LCRA TSC Ex. 1, Attachment 1 at 5-33, 5-34.

significant impacts to the use of the parks and recreation facilities located within the study area are anticipated from any of the primary alternative routes.

4. Cultural, Aesthetic, and Historical Values

The number of known or recorded historic or prehistoric archaeological sites and cemeteries within 1,000 feet of the ROW of each proposed route is summarized in LCRA TSC Exhibit 15. There are 30 known archeological sites within 1,000 feet of the centerline of a primary alternative route. Eight known archeological sites are crossed by alternative route ROW. The minimum number of known archeological sites crossed by any route is zero, while the maximum is five. The minimum number of additional known archaeological sites within 1,000 feet of the centerline of any route is one, while the maximum is seven.⁷⁷ Construction of the Project is not expected to adversely affect archeological or historical resources.

One measure of aesthetic values is the length of ROW that is within the foreground visual zone of U.S. and state highways, farm-to-market (FM) roads, and parks and recreational areas. A measure of this for each route is presented in Tables 5-1 and 5-2 of the EA. Route Ingram 1 has the longest length within the foreground visual zone of U.S. and state highways, at approximately 10.63 miles, while Route Hunt 37A has the shortest length, approximately 2.83 miles. Routes Hunt 36A and 37A have the longest length within the foreground visual zone of FM roads, at approximately 9.43 miles, while Routes Hunt 15 and 25 have the shortest length, approximately 1.79 miles. Routes Ingram 1, 7, and 11 have the longest length, approximately 1.4 miles, within the foreground visual zone of parks or recreational areas, while 27 other routes are tied for the shortest length, at 0.07 mile.⁷⁸

⁷⁷ LCRA TSC Ex. 1, Attachment 1 at 5-38 to 5-40, Table 5-1, and Table 5-46; LCRA TSC Ex. 15.

⁷⁸ LCRA TSC Ex. 1, Attachment 1 at 5-35, 5-36, and Table 5-1; LCRA TSC Ex. 15.

Staff recommends the use of the Commission's frequently adopted ordering language to mitigate the potential impacts on cultural and historic sites that may be discovered after the route is approved.⁷⁹

The ALJs find that the construction of the Project is not expected to adversely affect archeological or historical resources.

5. Environmental Integrity

The impacts on environmental integrity from the Project are summarized in Section 5.1.5.4 of the EA. Correspondence with Texas Natural Diversity Database (TXNDD), TPWD, and U.S. Fish and Wildlife Service (USFWS) identified five federally listed endangered or threatened animal species (birds), including the golden-cheeked warbler, for the study area, and the historical presence of a limited number of federally delisted, state-listed threatened or endangered, candidate, and potentially extirpated listed animal species within Gillespie, Kerr, and Kimble Counties, Texas.⁸⁰ None of the primary alternative routes has any length of ROW across known habitat of federally listed endangered or threatened species.

In addition to the potential impacts discussed above, the Project may cause short-term impacts to soil, water, and ecological resources. Ms. Meaux testified that if necessary, prior to construction, a field survey will be completed on the Commission-approved route to determine if suitable habitat is present for any of the federally listed species.⁸¹

⁷⁹ Staff Ex. 1 at 12 ("In the event that LCRA TSC encounters any archaeological artifacts or other cultural resources during project construction, work shall cease immediately in the vicinity of the resource and the discovery shall be reported to the Texas Historical Commission (THC). LCRA TSC must take action as directed by the THC."); *see also Joint Application of AEP Texas North Company and Electric Transmission Texas, LLC to Amend Their Certificates of Convenience and Necessity for the AEP TNC Heartland to ETT Yellowjack 138-kV Transmission Line in McCulloch and Menard Counties*, Docket No. 46234, Order at Ordering Paragraph No. 5 (Aug. 31, 2017) (adopting similar ordering language).

⁸⁰ LCRA TSC Ex. 7 at 18; *see* LCRA TSC Ex. 1, Attachment 1 at Table 2-8.

⁸¹ LCRA TSC Ex. 7 at 19.

Notwithstanding the existence of endangered species and habitat in the study area, Ms. Meaux testified that the Project is not anticipated to significantly adversely impact populations of any federally listed endangered or threatened species, including the golden-cheeked warbler. Ms. Meaux also opined that no significant impacts to wetland resources, ecological resources, endangered and threatened species, or land use are anticipated as a result of the construction of the Project.⁸²

Ms. Meaux explained that no part of any of the primary alternative routes is located within the Coastal Management Program boundary, as defined in 31 TAC § 503.1.⁸³ LCRA TSC has confirmed that it will comply with applicable laws, including the Migratory Bird Treaty Act and the Endangered Species Act, as well as the Commission's ordering language, including appropriate consultation with TPWD and the USFWS.⁸⁴

The ALJs conclude that no significant impacts to wetland resources, ecological resources, endangered and threatened species, or land use are anticipated as a result of the construction of the Project.

6. Engineering Constraints

The evidence did not reflect any significant engineering constraints along any of the alternative routes. However, the topography and other unique attributes along whichever route is chosen will require engineering consideration. The potential constraints, according to Mr. Poole, are not severe or uncommon and can be adequately addressed by utilizing design and construction practices and techniques usual and customary in the electric utility industry.⁸⁵

LCRA TSC submitted testimony stating that it will design the Project to meet or exceed industry-accepted standards and specifications for operating the transmission facilities in a safe

⁸² LCRA TSC Ex. 7 at 19.

⁸³ LCRA TSC Ex. 7 at 16.

⁸⁴ LCRA TSC Ex. 11 at 14.

⁸⁵ Staff Ex. 1 at 31.

and reliable manner, including the National Electrical Safety Code. According to its witness, Mr. Symank, the Project will be constructed in a manner that complies with all state and federal statutes and regulations applicable to transmission line construction and operation, as well as LCRA TSC's Transmission Line Engineering Standards and the Rural Utilities Service "Design Manual for High Voltage Transmission Lines."⁸⁶

Mr. Symank asserted that, upon Commission approval, engineers for LCRA TSC will begin detailed design of the Project and develop an alignment based on the approved route. He testified that this will involve gathering detailed survey information, including locations of above-ground, at-grade, and subsurface constraints and precise property boundary and easement locations, as well as any locations of environmental and cultural resources.⁸⁷

The ALJs find that all alternative routes are viable, feasible, and reasonable from an engineering perspective.

7. Costs

LCRA TSC submitted cost estimates for all alternative routes under consideration in this proceeding.⁸⁸ The routes range from approximately \$61.2 million to \$74.2 million in estimated total cost for transmission and substation facilities. Route Hunt 5A is estimated to be the least expensive route, with an estimated cost of \$61,220,000, which includes the cost of the new Mountain Home Substation. Route Hunt 27 is estimated to be the most expensive route, with an estimated cost of \$74,190,000, which includes the cost of the new Mountain Home Substation.⁸⁹

The estimated cost for the ALJs' recommended Route Hunt 37A is approximately \$64.33 million.

⁸⁶ LCRA TSC Ex. 8 at 9.

⁸⁷ LCRA TSC Ex. 8 at 9-10.

⁸⁸ LCRA TSC Ex. 1, Attachment 4; LCRA TSC Ex. 15.

⁸⁹ LCRA TSC Ex. 15.

8. Use of Existing Corridors

Ms. Meaux testified that the use and paralleling of existing compatible ROWs (existing transmission lines, roadways, railroads, and telephone utilities), apparent property boundaries, and natural or cultural features were taken into account in developing the primary route alternatives. According to her, where feasible, the alternate routes and route segments included in the Application utilize compatible corridors and routing features and parallel existing compatible ROW, property lines, and other natural or cultural features. Ms. Meaux opined that LCRA TSC reasonably routed the Project to moderate the impact on the affected community and directly affected landowners by paralleling existing transmission line ROW to the extent feasible without compromising reliability, by paralleling other existing compatible ROW, and by paralleling property lines where reasonable and practical.⁹⁰

The evidence established that the proposed alternative routes are adjacent to and parallel public roads and highways anywhere from 16.5 to 23.85 miles.⁹¹ The highest percentage of paralleling of compatible ROW or property boundaries is on Route Hunt 16, at 88 percent. The lowest percentage of paralleling of compatible ROW or property boundaries is on Route Hunt 14, at 73 percent.⁹²

The ALJs find that the evidence supports that Route Hunt 37A complies with the Commission's policy of using and paralleling of existing compatible ROWs and apparent property boundaries. Route Hunt 37A parallels existing compatible ROWs and apparent property lines for approximately 84 percent of its length, which is only 4 percent less than the route with the highest percentage of paralleling.

⁹⁰ LCRA TSC Ex. 7 at 9, 19-21.

⁹¹ LCRA TSC Ex. 15.

⁹² LCRA TSC Ex. 15.

9. Prudent Avoidance

The Commission's substantive rules define "prudent avoidance" as "the limiting of exposures to electric and magnetic fields that can be avoided with reasonable investments of money and effort."⁹³ The alternative routes impact between 23 and 76 habitable structures.

Route Hunt 37A impacts 34 habitable structures, 16 of which are currently located within 300 feet of an existing transmission line ROW centerline.⁹⁴

The ALJs find that all the routes presented in the Application conform to the Commission's policy of prudent avoidance.

10. Additional Routing Concerns

Ms. Meaux testified that no known AM radio transmitters were identified within the study area or within 10,000 feet of the primary alternative routes. She added that the number of microwave towers and other electronic communication towers located within 2,000 feet of any of the primary alternative routes ranges from zero for numerous routes to five for Route Hunt 25.⁹⁵ The number of electronic installations within 2,000 feet of a primary alternative route centerline is shown in Table 5-1 of the EA, along with general descriptions of the installations and their distances from the nearest primary alternative route segment.

Ms. Meaux stated that there are no Federal Aviation Administration (FAA)-registered airports with a runway length of greater than 3,200 feet within 20,000 feet of any of the primary alternative routes.⁹⁶ The maximum number of private airstrips with a runway length of 3,200 feet or less within 10,000 feet of the centerline of one or more of the primary alternative routes is five, while the minimum is two. There are no public FAA-registered airports or military airstrips with runways shorter than 3,200 feet within 20,000 feet of the centerline of any of the primary

⁹³ 16 TAC § 25.101(a)(6).

⁹⁴ LCRA TSC Ex. 15.

⁹⁵ LCRA TSC Ex. 7 at 15.

⁹⁶ LCRA TSC Ex. 7 at 15.

alternative routes.⁹⁷ The maximum number of heliports within 5,000 feet of the centerline of one or more of the primary alternative routes is two, while the minimum is zero. LCRA TSC has identified, listed, and described each airport, airstrip, and heliport with the approximate distance from the centerline of each of the primary alternative routes in the EA, on pages 5-31 through 5-33 (Section 5.2.4.2 and Table 5-43) and in Appendix C.⁹⁸

None of the routes presented in this proceeding crosses land irrigated by traveling irrigation systems.⁹⁹

11. Summary of Routing Recommendation

After considering all of the routing considerations discussed above, the ALJs conclude that Route Hunt 37A is the best alternative route, mainly because it (1) utilizes paralleling (including all compatible corridors) for 18.9 miles, or 84 percent of its total length; (2) is shorter in length than the majority of the alternative routes; (3) is estimated to be less costly than the majority of the alternative routes; (4) crosses the golden-cheeked warbler modeled habitat for only 66.0 acres; and (5) avoids using segments that TPWD expressed concern about. Furthermore, it would avoid routing concerns expressed by a large majority of the intervenors.

E. Preliminary Order Issue No. 5

Are there alternative routes or facilities configurations that would have a less negative impact on landowners? What would be the incremental cost of those routes?

In addition to the 119 segments and 40 primary alternative routes proposed in the Application, additional segments and alternative routes have been considered in this docket. Specifically, Segments C5, V4, and W4 were identified by LCRA TSC in rebuttal testimony and supplemental rebuttal testimony as segments reflecting modifications requested and/or consented to by directly affected landowners.¹⁰⁰ After the hearing, on February 5, 2020, in conjunction with

⁹⁷ LCRA TSC Ex. 15; LCRA TSC Ex. 4.

⁹⁸ LCRA TSC Ex. 7 at 16.

⁹⁹ LCRA TSC Ex. 15.

¹⁰⁰ LCRA TSC Ex. 9 at 5-6; LCRA TSC Ex. 14 at 4-6; Staff Ex. 1 at 35-36.

intervenor Apache Springs, LCRA TSC proposed five additional routes.¹⁰¹ LCRA TSC considers each of the alternative routes incorporating such modified segments to be acceptable, feasible, and constructible.¹⁰²

F. Preliminary Order Issue No. 6

If alternative routes or facility configurations are considered due to individual landowner preference:

- a) **Have the affected landowners made adequate contributions to offset any additional costs associated with the accommodations?**
- b) **Have the accommodations to landowners diminished the electric efficiency of the line or reliability?**

Modifications have been proposed to accommodate landowners' preferences. However, the record contains limited evidence of landowner contributions to offset additional costs associated with modified routes accommodating landowner preferences or associated costs. Apache Springs has specifically represented that it will donate ROW valued at approximately \$123,000 if the Commission approves a route utilizing Segment W4.¹⁰³

G. Preliminary Order Issue No. 7

On or after September 1, 2009, did the TPWD provide any recommendations or informational comments regarding this application pursuant to Section 12.0011(b) of the Texas Parks and Wildlife Code? If so, please address the following issues:

- a) **What modifications, if any, should be made to the proposed project as a result of any recommendations or comments?**
- b) **What conditions or limitations, if any, should be included in the final order in this docket as a result of any recommendations or comments?**
- c) **What other disposition, if any, should be made of any recommendations or comments?**
- d) **If any recommendation or comment should not be incorporated in this project or the final order, or should not be acted upon, or is otherwise inappropriate or incorrect in light of the specific facts and circumstances presented by this**

¹⁰¹ LCRA TSC Ex. 14 at 3-4.

¹⁰² LCRA TSC Ex. 12 at 5-6; LCRA TSC Ex. 9 at 4; LCRA TSC Ex. 11 at 9.

¹⁰³ LCRA TSC Ex. 14 at 6.

application or the law applicable to contested cases, please explain why that is the case.

TPWD provided information and recommendations regarding the preliminary study area for the Project to POWER on June 20, 2018.¹⁰⁴ On July 25, 2019, TPWD filed a letter containing its comments and recommendations regarding the Project.¹⁰⁵

In its comments, as well as in its subsequent direct testimony offered and admitted at the hearing on the merits, TPWD recommended Route Ingram 1 for the Project. In making this recommendation, TPWD noted that Route Ingram 1 appears to cause the least adverse impacts to natural resources while also maintaining a shorter route length and running parallel or adjacent to existing ROW for approximately half of the route length.

Additionally, TPWD recommended avoiding routes utilizing Segments R, S, and Z to continue to protect the springhead that feeds into the Heart of the Hills Fisheries Science Center owned and managed by TPWD.¹⁰⁶

In its letter and testimony, TPWD included comments and recommendations regarding the Project and potential impacts on sensitive fish/wildlife resources, habitats, or other sensitive natural resources. Staff identified mitigation measures sufficient to address TPWD's mitigation recommendations.¹⁰⁷ These measures are reflected in the Commission's standard ordering language related to those matters.

Route Hunt 37A does not utilize the segments (Segments R, S, and Z) that TPWD was most concerned about. At 22.51 miles in length, Route Hunt 37A is shorter than TPWD's recommended Route Ingram 1 at 25.42 miles in length. Additionally, Route Hunt 37A crosses approximately 10.8 acres less golden-cheeked warbler modeled habitat than Route Ingram 1.¹⁰⁸

¹⁰⁴ LCRA TSC Ex. 1, Attachment 1, Appendix A.

¹⁰⁵ Staff Ex. 1, Attachment JP-3 (letter from TPWD to Karen Hubbard).

¹⁰⁶ Staff Ex. 1, Attachment JP-3 (letter from TPWD to Karen Hubbard).

¹⁰⁷ Staff Ex. 1 at 11-14, 29-31.

¹⁰⁸ LCRA TSC Ex. 15.

For these reasons, the ALJs find that the choice of Route Hunt 37A adequately responds to TPWD's concerns.

H. Preliminary Order Issue No. 8

Are the circumstances for this line such that the seven-year limit discussed in section III of this order should be changed?

LCRA TSC has not requested that the seven-year limit identified by the Commission in its Preliminary Order be changed nor presented evidence meriting any change to that time limit.¹⁰⁹

VI. CONCLUSION

LCRA TSC presented sufficient evidence regarding the need for the Project. In total, 58 alternative routes have been identified for possible consideration in this proceeding.

The evidence submitted proved that all 58 routes address the need for the Project and are viable and constructible. Therefore, the ALJs find that the preponderant evidence proves that all routes comply with PURA § 37.056 and 16 TAC § 25.101(b)(3)(B), including the Commission's policy of prudent avoidance. Based on the evidence presented, Route Hunt 37A best meets the regulatory and statutory criteria because it:

- is estimated to be the fourteenth least costly route with an estimated cost of \$64,330,000;
- is the tenth shortest route at 22.51 miles;
- utilizes paralleling (including all compatible corridors) for 18.9 miles, or 84 percent of its total length, which is 4 percent more than the route recommended by LCRA TSC;
- impacts 37 habitable structures, which is only 12 more than the route that impacts the least habitable structures;
- crosses only 66.0 acres of the golden-cheeked warbler modeled habitat, which is approximately 13 acres less than TPWD's recommended route;
- avoids using segments that TPWD expressed the most concern about; and

¹⁰⁹ Staff Ex. 1 at 31-32.

- crosses 11.6 miles of areas of high archeological/historic site potential, which is only 1.4 miles more than the route that crosses the least areas of high archeological/historic site potential.

Accordingly, the ALJs recommend that LCRA TSC's Application to amend its CCN to construct the Project should be approved, and Route Hunt 37A should be chosen as the preferred route.

VII. FINDINGS OF FACT, CONCLUSIONS OF LAW, AND PROPOSED ORDERING PARAGRAPHS¹¹⁰

A. Findings of Fact

Applicant

1. LCRA Transmission Services Corporation (LCRA TSC) is a non-profit corporation.
2. LCRA TSC owns and operates facilities to transmit electricity in the Electric Reliability Council of Texas (ERCOT) region.
3. LCRA TSC provides electric service under Certificate of Convenience and Necessity (CCN) No. 30110.

Application

4. On May 31, 2019, LCRA TSC filed with the Public Utility Commission of Texas (Commission or PUC) an application (Application) to amend CCN No. 30110 in order to build, own, and operate a new 138-kilovolt (kV) transmission line in Gillespie, Kerr, and Kimble Counties connecting a new substation to the electric grid (the Project).
5. The Application was assigned Docket No. 49523.

¹¹⁰ LCRA TSC filed proposed Findings of Fact, Conclusions of Law, and Ordering Paragraphs on February 21, 2020. Separately with its Reply Brief, LCRA TSC proposed some additional findings. Bar J Bar Ranch, LP filed a proposed correction to LCRA TSC proposed Finding of Fact No. 63. Apache Springs attached proposed findings and conclusions to its reply brief. Staff joined in LCRA TSC's proposed findings and conclusions in its reply brief. LCRA TSC's proposed findings are in some instances more extensive than the findings in the ALJs' Proposal for Decision, especially with regard to uncontested issues. Except as they may be inconsistent with the Proposal for Decision, the ALJs do not disagree with LCRA TSC's proposed findings even though not all of them may be included in this Proposal for Decision.

6. LCRA TSC retained POWER Engineers, Inc. (POWER) to prepare an Environmental Assessment (EA) and routing analysis for the proposed transmission line, which was included as part of the Application.
7. On July 19, 2019, LCRA TSC filed errata to the Application and the EA.
8. On January 17, 2020, LCRA TSC filed a second errata to the Application and the EA.
9. No party challenged the sufficiency of the Application.

Description of Proposed Transmission Facilities

10. The proposed new transmission line will connect a new load-serving electric substation (Mountain Home Substation) near the Mountain Home community in northern Kerr County to the existing Harper Substation to the north, and to either the existing Hunt Substation or the existing Ingram Substation to the south.
11. The Project primarily will be constructed on 138-kV single-circuit steel or concrete pole structures for typical tangent, angle, and dead-end structures. If Segments X3, B, F, or E4 are part of the PUC-approved route, these segments will be constructed on double-circuit 138-kV poles containing the new 138-kV circuit from Hunt or Ingram to Mountain Home and the existing LCRA TSC 138-kV circuit connecting Hunt to Ingram (T487). If ordered to or in constrained or other appropriate areas (such as line crossings or near airports or heliports), LCRA TSC could use alternative structure types. The heights of typical structures proposed for the Project range from 80 to 120 feet above ground, although the structure heights may vary as necessary to make allowable modifications or landowner accommodations.
12. LCRA TSC will design, operate, maintain, and own all of the proposed transmission line facilities including conductors, wires, structures, hardware, and easements. LCRA TSC will also design, operate, maintain, and own the transmission portion of the new electric load-serving substation that will be constructed in conjunction with the Project.
13. The Application included 40 primary alternative routes composed from 119 route segments.
14. During this proceeding, 18 additional alternative viable routes configured from route segments proposed by LCRA TSC in the Application and modifications to existing segments (including Segments C5, V4, and W4) were developed and proposed by LCRA TSC and other parties.
15. All the individual segments and routes presented in the Application are viable and forward progressing.

16. The additional routes that LCRA TSC has identified as viable are Route Hunt 31, 36, and 37, Route Ingram 11, Routes Hunt 5A, 7A, 31A, 36A, and 37A, and Routes Hunt 1 Beta, Hunt 12 Beta, Hunt 13 Beta, Hunt 14 Beta, Hunt 20 Beta, Hunt 21 Beta, Hunt 22 Beta, Ingram 9 Beta, and Ingram 10 Beta.
17. The primary alternative routes range from approximately 21 to 30 miles in length.
18. The route alternatives under consideration in this proceeding have an estimated total cost ranging between approximately \$61.2 million and \$74.2 million for transmission and substation facilities.
19. In the Application, LCRA TSC identified Route Hunt 13 as the route that best addresses the requirements of the Public Utility Regulatory Act (PURA) and Commission rules.
20. The routes for the Project are based on a right-of-way (ROW) width of approximately 100 feet, but the ROW width may vary depending on location and design requirements.

Public Input

21. To develop information on community values for the Project, LCRA TSC held two public open house meetings in the study area.
22. LCRA TSC held the first public open house meeting for the Project on June 26, 2018, at the Mountain Home Volunteer Fire Department in Mountain Home, Texas.
23. LCRA TSC mailed written notices of the Mountain Home open house meeting to all owners of property within 300 feet of the centerline of each preliminary alternative segment.
24. LCRA TSC also mailed or hand delivered notices of the Mountain Home open house meeting to local public officials and various state and federal officials, including the U.S. Department of Defense Siting Clearinghouse (DOD).
25. In total, LCRA TSC mailed 765 meeting notices for the Mountain Home open house meeting.
26. Notice of the Mountain Home open house meeting was additionally published in the following four newspapers of general circulation in the Project area counties on the dates noted: (a) the *Fredericksburg Standard-Radio Post*, on June 13 and June 20, 2018; (b) the *Kerrville Daily Times*, on June 13 and June 20, 2018; (c) the *West Kerr Current*, on June 14 and June 21, 2018; and (d) the *Junction Eagle*, on June 13 and June 20, 2018.
27. A total of 238 people signed in as attending the Mountain Home public open house meeting.

28. Attendees were provided questionnaires, and LCRA TSC received a total of 172 completed questionnaires, with 94 submitted at the Mountain Home open house meeting and 78 submitted afterward.
29. LCRA TSC held a second public open house meeting for the Project on November 7, 2018, at Ingram Tom Moore High School in Ingram, Texas.
30. LCRA TSC mailed written notices of the Ingram open house meeting to all owners of property within 300 feet of the centerline of each preliminary alternative segment.
31. LCRA TSC also mailed or hand delivered notices of the Ingram open house meeting to local public officials and various state and federal officials, including the DOD.
32. In total, LCRA TSC mailed 367 meeting notices for the Ingram open house meeting.
33. Notice of the Ingram open house meeting was additionally published in the following three newspapers of general circulation in the Project area counties on the dates noted: (a) the *Fredericksburg Standard-Radio Post*, on October 31, 2018; (b) the *Kerrville Daily Times*, on October 31, 2018; and (c) the *West Kerr Current*, on November 1, 2018.
34. A total of 130 people signed in as attending the Ingram public open house meeting.
35. Attendees were provided questionnaires, and LCRA TSC received a total of 106 completed questionnaires, with 29 submitted at the Ingram open house meeting and 77 submitted afterward.
36. LCRA TSC evaluated and considered the public feedback in determining the routes to be included in the Application. Based on input, comments, and information received at and following the open house meetings, and additional analyses conducted by LCRA TSC and POWER, numerous preliminary alternative route segments were modified, some preliminary alternative route segments were deleted, and additional alternative route segments were added.
37. On March 1, 2018, written information was provided to DOD about the study area and the nature of the Project.
38. On May 23, 2018, DOD reported that the Project will have minimal impact on military operations conducted in the area.

Notice of the Application

39. On May 31, 2019, LCRA TSC mailed direct written notice of the filing of the Application by first-class mail to:
 - a. each owner of land directly affected by the construction of the Project, as determined by review of the appraisal district tax data for Gillespie, Kerr, and Kimble Counties;
 - b. the county governments of Gillespie, Kerr, and Kimble Counties, as well as the city governments for the cities of Ingram and Kerrville;
 - c. the following neighboring utilities providing electric utility service within five miles of the requested facilities: Central Texas Electric Cooperative (CTEC), Pedernales Electric Cooperative (PEC), Bandera Electric Cooperative (BEC), and Kerrville Public Utility Board (KPUB); and
 - d. other interested entities, including the Office of Public Utility Counsel (OPUC) and the DOD.
40. On June 5, 2019, LCRA TSC published public notice of the Application in the *Junction Eagle*, a newspaper of general circulation in Kimble County, Texas.
41. On June 5, 2019, LCRA TSC published public notice of the Application in the *Fredericksburg Standard-Radio Post*, a newspaper of general circulation in Gillespie County, Texas.
42. On June 5, 2019, LCRA TSC published public notice of the Application in the *Kerrville Daily Times*, a newspaper of general circulation in Kerr, Bandera, Kendall, and Gillespie Counties, Texas.
43. On June 6, 2019, LCRA TSC published public notice of the Application in the *West Kerr Current*, a newspaper of general circulation in Kerr County, Texas.
44. On June 18, 2019, LCRA TSC filed an affidavit attesting to, among other things, the provision of notice of the Application to OPUC, cities, counties, neighboring utilities, the DOD, and directly affected landowners.
45. On June 20, 2019, LCRA TSC filed an affidavit attesting to published notice of the Application in the following newspapers of general circulation in one or more of the counties where the CCN amendment is being requested: the *Junction Eagle*, a newspaper of general circulation in Kimble County, Texas; the *Fredericksburg Standard-Radio Post*, a newspaper of general circulation in Gillespie County, Texas; the *Kerrville Daily Times*, a newspaper of general circulation in Kerr, Bandera, Kendall, and Gillespie Counties,

Texas; and the *West Kerr Current*, a newspaper of general circulation in Kerr County, Texas.

46. On July 8, 2019, the Commission Administrative Law Judge (ALJ) issued Order No. 5 approving LCRA TSC's provision of notice of the Application in this proceeding.

Intervenors

47. On June 20, 2019, the Commission ALJ issued Order No. 2 granting the motions to intervene filed by Chinquapin Land Co., TRT Ranch Corporation, Fronie K. Shelton, Zorritos, LLC, Maximo "Max" Michel-Gonzalez d/b/a Beta Real Estate LLC, Savoy Ltd., Donald and Nancy Swanson, Douglas M. Lowrance, Gary Priour, Debra Slapak, Henderson Branch Landowners, Harlan Lary Priour, and Jeffrey Ryan.
48. On June 28, 2019, the Commission ALJ issued Order No. 4 granting the motions to intervene filed by Mario Alberto Escalante, Byas Springs Landowners, Stevens Ranch Landowners, Robert and Louisa Qualls, Nathan Colwell, Nancy McLemore, Mark Bratton, and Apache Springs, L.P.
49. On July 11, 2019, the Commission ALJ issued Order No. 6 granting the motions to intervene filed by Dell Schneider, Wiley Cloud, Karen and Lincoln Davis, Jack and Leah Yarbrough, Jason Kunz, Neil Appleby, Robbin Appleby, Sara Ayala, Richard and Stephanie Ertel, the Aligned Segment A & C Mountain Home Landowners (consisting of Guy S. Lipe and Robin J. Lipe, William "Andy" Durham, Susan M. Gallagher, Ron Bell, Susi Bell, Robert Wakefield, Mary Jane Wakefield, West Honey Creek Ranch Limited Partnership, East Honey Creek Ranch Limited Partnership, Janet Meek, Luke Smith and Kristen Smith, Mike Royer, Shelley Royer, Nathalie Dumais, Richard McDugald, Martha McDugald, Marsha Elmore, Rudolph and Janice Winzinger, Tracy Belew, Mike and Janelle Carothers, Pat Stone, and Pete and Vicki Moore), and Jodi Kirksey.
50. On July 25, 2019, the Commission ALJ issued Order No. 7 granting the motions to intervene filed by Isaias Montez and Sylvia Ann Garcia Jr., Terry Hutzell, Timothy Crenwelge, Robin Fawcett, Tracy Wood, Carolyn and Melvin McCallum, Marsha Mefferd, Daniel and Esmeralda Walker, Joe Shannon, Laura M. Voight, and Robert and Jennifer Frazier (as aligned with Henderson Branch Landowners), Patrick Peralt, Alain Peralt, Christopher Peralt, Janelle Peralt, Sergei Smet, Gerhard and Kathleen Bergman, Sernea [sic] Burrough, Roland [sic] and Janice Galbriath [sic], Sarah Dean, Cynthia Rieck, Meta Syfan, Nancy S. Wallace Family Trust, Wallace Family Trust, Arthur P. Allison, Jr., Arthur P. Allison Jr. Family Trust, Irene Allison Thomas Family Trust, Bar J Bar Ranch, LP, and Jack Clarke.
51. On August 9, 2019, the Commission ALJ issued Order No. 8 granting the motions to intervene filed by Stephen B. Schulte, Welch Creek Partners Ltd., Keith R. and Tanya J. Olive, and Nancy C. Olive (to be aligned with Apache Springs L.P.), Texas Parks

and Wildlife Department (TPWD), Peter and Theresa Nolan, Philip Johnston, Rick Schladoer, Christopher C. Sanders, Frank Zoch (Welch Creek Partners Ltd.), George and Sylvia Streigler, Jody Lange, Betty Weeks, Carol Walker, Barbara and Robert Trautman, Live Springs Ranch Property Owners Association, Jake and Kari Short, and Nick and Sara Ahearn.

52. On October 24, 2019, the State Office of Administrative Hearings (SOAH) ALJs issued SOAH Order No. 3 granting the late-filed motion to intervene filed by Sam Junkin and aligning him with the Aligned Segment A & C Mountain Home Landowners.
53. On November 19, 2019, LCRA TSC filed a list of intervenors who did not file testimony or a statement of position by the November 4, 2019 deadline in SOAH Order No. 2.
54. In SOAH Order No. 4 issued December 3, 2019, the SOAH ALJs dismissed the following intervenors for failing to file direct testimony or a statement of position: Nick Ahearn; Sara Ahearn; Robbin Appleby; Neil Appleby; Mark Bratton; Serena Burrough; Wiley Cloud; Karen Davis; Lincoln Davis; Sarah Dean; Mario Alberto Escalante; Robin Fawcett; Janice Galbraith; Ronald Galbraith; Isaias Garcia; Sylvia Garcia; Terry Hutzell; Jason Kunz; Jody Lange; Douglas Lowrance; Carolyn McCallum; Melvin McCallum; Marsha Mefferd; Theresa Nolan; Patrick Perak; Alain Perak; Christophe Perak; Harlan Lary Priour; Cynthia Rieck; Christopher Sanders; Rick Schladoer; Dell Schneider; Sergei Smet; George Striegler; Sylvia Striegler; Meta Syfan; Barbara Trautman; Robert Trautman; Daniel Walker; Esmeralda Walker; Carolyn Walker; and Tracy Wood.
55. At the commencement of the hearing on the merits, the SOAH ALJs granted the late-filed motion to intervene filed by Vorpahl Ranch, L.P.

Alignment of Intervenors

56. Except to the extent that parties with similar interests chose to be represented jointly by the same legal counsel when making an appearance, no parties were aligned by the ALJs or chose to voluntarily align for purposes of the hearing.

Route Adequacy

57. LCRA TSC's Application presented 40 routes utilizing a combination of 119 route segments.
58. No party filed testimony or a position statement challenging whether the Application provided an adequate number of reasonably differentiated routes to conduct a proper evaluation, and no party requested a hearing on route adequacy.

59. In SOAH Order No. 3 filed on October 24, 2019, the SOAH ALJs canceled the hearing on route adequacy that was tentatively scheduled for October 25, 2019, because no party requested such a hearing.
60. The Application provided an adequate number of reasonably differentiated routes to conduct a proper evaluation.

Referral to SOAH for Hearing

61. On July 12, 2019, Jack Clarke and Bar J Bar Ranch, LP filed a request for hearing at SOAH. Subsequently, Maximino “Max” Michel Gonzalez d/b/a Beta Real Estate and Savoy Ltd. also requested a hearing.
62. On July 24, 2019, Commission Staff (Staff) requested that the docket be referred to SOAH for a hearing.
63. On August 16, 2019, the Commission referred this case to SOAH and identified a number of issues to be addressed in its Order of Referral and Preliminary Order.
64. On September 9, 2019, the SOAH ALJs convened a prehearing conference in Austin, Texas, at which time a procedural schedule was adopted.
65. In SOAH Order No. 2 filed on September 26, 2019, the SOAH ALJs memorialized the prehearing conference held on September 9, 2019, and scheduled the hearing on the merits to begin on January 21, 2020, at SOAH’s hearing facility in Austin, Texas.
66. In SOAH Order No. 5 filed on December 18, 2019, the SOAH ALJs noted that the hearing would start immediately after a prehearing conference beginning at 9:00 a.m. on January 21, 2020. The SOAH ALJs also noted a change in the hearing location, to the Holiday Inn—Austin Airport, 6711 East Ben White Boulevard, Austin, Texas 78744.
67. SOAH Order Nos. 2 and 5 and the Commission’s Preliminary Order contained a statement of the time, place, and nature of the hearing; a statement of the legal authority and jurisdiction under which the hearing would be held; a reference to the particular sections of the statutes and rules involved; and either a short, plain statement of the factual matters asserted or an attachment that incorporated by reference the factual matters asserted in the complaint or petition filed with the state agency.
68. On January 21, 2020, the hearing on the merits convened before SOAH ALJs Beth Bierman and Linda Brite. The following parties made appearances, either personally or through their legal counsel, and participated in the hearing on the merits: LCRA TSC; Staff; the TPWD; Apache Springs L.P.; Welch Creek Partners, Ltd.; Keith and Tanya J. Olive; Nancy Olive; TRT Ranch Corporation; Maximino “Max” Michel-Gonzalez, d/b/a Beta Real Estate LLC and Savoy Ltd. (Beta/Savoy); Zorritos, LLC; Fronie Shelton; Bar J Bar Ranch, LP; Jack Clark; the Hill Country Youth Ranch; the Henderson Branch Landowners; the Byas Springs Landowners; the Stevens Ranch Landowners; the Aligned

Segment A & C Mountain Home Landowners; Nancy S. Wallace Family Trust; Wallace Family Trust; Irene Allison Thomas Family Trust; Arthur P. Allison, Jr.; Arthur P. Allison Jr. Family Trust; Donald and Nancy Swanson; Vorpahl Ranch, L.P.; Creek House Ranch LLC; Jack and Leah Yarbrough; Richard and Stephanie Ertel; Debra Slapak; Jody Kirksey; Kari Short; and Sara Ayala. The hearing concluded on January 22, 2020.

69. The evidentiary record closed on February 5, 2020, with the filing of supplemental rebuttal testimony and exhibits, and the hearing record closed on February 21, 2020, after the filing of closing written arguments and proposed findings of fact and conclusions of law. SOAH Order No. 7, issued March 10, 2020, admitted Schulte Exhibit 1 into the evidentiary record.

Adequacy of Existing Service and Need for the Project

70. The Project is needed to meet the existing and forecasted retail electric service demand of customers in Gillespie, Kerr, and Kimble Counties and to address reliability risks associated with continuing to serve the area's electric load requirements using the existing load-serving substations.
71. Load growth at a compound annual growth rate of approximately 2 percent in western Gillespie and western Kerr Counties has resulted in a combined winter loading level in excess of 20 megawatts (MW) (approximately 10 percent of CTEC's consumer load) served by a single radial 69-kV transmission line extending from Fredericksburg to the communities of Harper and Doss. As of April 2, 2019, there were 4,692 consumers served by this radial transmission line including the entire communities of Harper and Doss, residential and commercial development along Interstate Highway (IH) 10 south of Harper, and the area extending to the Garven Store area.
72. The area addressed by the Project is primarily served by 1,100 miles of 25-kV distribution circuits connected to the transmission system at the Harper and Doss Substations.
73. A single, radial 21.6-mile 69-kV transmission line that extends from the Live Oak Substation (in Fredericksburg, Texas) provides transmission service to the Harper Substation and then extends another 14.2 miles from the Harper Substation to provide transmission service to the Doss Substation.
74. The radial 69-kV transmission system serving the Harper and Doss Substations is sourced from two 138/69-kV autotransformers located at the Fredericksburg and Gillespie Substations. A small portion of the area to the south and east of Mountain Home is served by 12-kV distribution circuits connected to the Ingram Substation. Transmission service is provided to the Ingram Substation by 138-kV transmission lines serving six existing substations (including the Ingram Substation). These 138-kV transmission lines are connected to the transmission network at the Kerrville Stadium Substation and the Verde Creek Substation.

75. LCRA TSC's analysis of the existing transmission system determined that the existing 69-kV transmission facilities serving the Harper and Doss Substations will experience thermal criteria violations based on the load levels forecasted to occur by the winter of 2020/2021.
76. Thermal overloads on autotransformers result in degradation of the internal insulation and can result in catastrophic failure leading to extended outages for customers.
77. LCRA TSC's analysis also shows voltage at the Harper and Doss Substations is expected to be less than 0.9 per unit (a condition that violates the ERCOT and LCRA TSC steady state voltage criteria) based on projected winter 2020/2021 load levels.
78. Voltages of less than 0.9 per unit are a violation of ERCOT and LCRA TSC voltage performance criteria and result in an inability to maintain adequate voltage to customers, which can cause damage to motors and other voltage sensitive devices.
79. Awareness of the poor voltage performance of the system and overloads of similar magnitude to those identified in the planning studies led ERCOT staff to approve a mitigation plan that calls for the shedding of load at Harper and Doss during high-load periods. The mitigation plan was first approved on January 6, 2017, and was renewed in 2018 and 2019. Because the mitigation plan interrupts service to consumers, it is a temporary operational measure to avoid unsafe operating conditions and protect transmission equipment until the Project is completed.
80. The load served by the 138-kV transmission lines serving the six substations located west of the City of Kerrville in the Project Area, including the Hunt and Ingram Substations, is vulnerable because if one of two transmission elements that source the lines is out of service, the entire load served by the loop is vulnerable to the loss of the other element. This 138-kV loop is 52 miles long and provides transmission service to the Harper Road, Jack Furman, Ingram, Hunt, Turtle Creek, and Rim Rock Substations. These six substations will serve a total of 100.6 MW according to the projected winter 2020/2021 load.
81. LCRA TSC and CTEC identified four planning criteria violations in the existing system that require system improvements: (a) distribution feeders that exceed the 6 MW load limit established by CTEC's planning criteria; (b) total load at the Harper and Doss Substations, served by a radial transmission line, in excess of 20 MW, which exceeds the CTEC and LCRA TSC Transmission System Planning Criteria; (c) overloads on autotransformers at the Gillespie and Fredericksburg Substations; and (d) low voltage at the Harper and Doss Substations.
82. There are no existing 138-kV transmission lines within seven miles of the proposed substation location.
83. The Project, in conjunction with the conversion of the existing 69-kV transmission line from the Live Oak Substation to the Harper Substation to 138-kV operation, provides the

system improvements needed to resolve these four planning criteria violations and meet the long-term transmission system performance requirements for the area.

84. The Project addresses these needs by proposing construction of a new 138-kV transmission line from either Hunt or Ingram to provide a reliable source to the new Mountain Home Substation and extend a new 138-kV transmission line from the new Mountain Home Substation to the Harper Substation in order to provide a reliable source under single contingency events to the Mountain Home, Harper, and Doss Substations, which represents more than 20 MW (approximately 10 percent of CTEC's total load obligation).
85. The Project also provides a third source into the transmission system serving the area west of Kerrville, thus reducing the amount of load loss at risk during maintenance outages on the 138-kV transmission system serving the area west of the City of Kerrville.
86. The Project will provide the infrastructure required to avoid low voltage conditions, overloaded conductors, and excessive voltage regulation equipment. Each alternative would provide reliable looped transmission service to the Mountain Home Substation and the Project will provide a second transmission connection to the 20 MW of peak load currently served radially at the Harper and Doss Substations. The Project will reduce exposure to single points of failure such as a radial transmission line, increase system maintainability and operational flexibility by virtue of dual-feed transmission connectivity, and reduce the potential for customer load shed (i.e. outages), as authorized by the ERCOT mitigation plan.
87. LCRA TSC presented the Project for review by ERCOT staff and the ERCOT Regional Planning Group (RPG) on November 18, 2016.
88. K PUB and BEC filed comments supporting the Project during the ERCOT RPG review process.
89. Following its review, ERCOT staff designated the Project as a Tier 4 Neutral Project on September 24, 2017.
90. ERCOT staff determined the Project will not result in any violations of North American Electric Reliability Corporation (NERC) or ERCOT performance requirements.
91. No party substantively challenged the need for the Project.
92. All of the 58 routes under consideration in this docket, including the 40 presented in the Application and the 18 additional routes identified by the parties, will satisfy the need for the Project.
93. Electric customers within the Project area will benefit from the improved transmission system reliability and capacity provided by the Project.
94. LCRA TSC considered a distribution-only alternative.

95. Distribution-only alternatives are not adequate to resolve the need for the Project.

Routing of the Project

96. The POWER Project Team included professionals with expertise in different environmental and land use disciplines (geology/soils, hydrology/water quality, terrestrial ecology, wetland ecology, land use/aesthetics, and cultural resources) who were involved in data acquisition, routing analysis, and environmental assessment for the Project.
97. To identify preliminary alternative route segments for the Project, POWER delineated a study area, sought public official and agency input, gathered data regarding the study area, performed constraints mapping, identified preliminary alternative route segments and alternative substation sites, and reviewed and adjusted the preliminary alternative route segments and alternative substation sites following field reconnaissance and the open house meetings.
98. POWER examined potential routes taking into consideration the factors in PURA § 37.056(c)(4)(A)-(D), 16 Texas Administrative Code (TAC) § 25.101, and the Commission's CCN application form.
99. From the preliminary alternative route segments, POWER and LCRA TSC identified 26 reasonable, feasible primary alternative routes. In identifying these, POWER considered a variety of information, including input from the public and public officials, geographic diversity within the study area, and an inventory and tabulation of a number of environmental and land use criteria.
100. LCRA TSC reviewed the primary alternative routes with regard to cost, construction, engineering, and ROW maintenance issues and constraints, and conducted field reviews.
101. All landowners directly affected by the modifications reflected by Segments W4, C5, V4, and I5 have consented to the modifications and received notice or formally waived the receipt of notice.
102. At the time it filed its Application, and in accordance with the requirement in the Commission's CCN application form, LCRA TSC identified Route Hunt 13 as the route that best addressed the Commission's routing criteria for the reasons included in response to Question 17 of the Application.
103. LCRA TSC's Application confirms that all proposed routes are viable and constructible and meet the factors in PURA § 37.056(c)(4)(A)-(D), 16 TAC § 25.101, and the Commission's CCN application form.
104. Staff submitted evidence supporting the choice of Route Hunt 31 as the route that best meets the statutory and regulatory criteria, and best addresses the concerns raised by TPWD and the parties.

105. A large majority of the parties that participated in the hearing, or provided evidence that was submitted at the hearing, support or do not oppose Route Hunt 37A.
106. Based on the evidence presented, Route Hunt 37A best meets the regulatory and statutory criteria because it:
- is estimated to be the fourteenth least costly route with an estimated cost of \$64,330,000;
 - is the tenth shortest route at 22.51 miles;
 - utilizes paralleling (including all compatible corridors) for 18.9 miles, or 84 percent of its total length, which is 4 percent more than the route recommended by LCRA TSC;
 - impacts 37 habitable structures, which is only 12 more than the route that impacts the least habitable structures;
 - crosses only 66.0 acres of the golden-cheeked warbler modeled habitat, which is approximately 13 acres less than TPWD's recommended route;
 - avoids using segments that TPWD expressed the most concern about; and
 - crosses 11.6 miles of areas of high archeological/historic site potential, which is only 1.4 miles more than the route that crosses the least areas of high archeological/historic site potential.

Effect of Granting Certificate on LCRA TSC and Utilities Serving the Proximate Area

107. Electric utilities serving the proximate area of the Project include CTEC, PEC, BEC, and KPUB.
108. Electric service requirements for many current and future end-use customers within the area will be met by CTEC with the installation of the new electric load-serving substation associated with the Project. The new substation will provide the electrical source to supply existing and future electrical loads in the area. The new substation will also increase the reliability of service to the broader area.
109. ERCOT market participants KPUB, BEC, and CTEC support the Project.
110. No adverse effects to service by other utilities in the area are expected.

Community Values

111. LCRA TSC held a first public open house meeting for the Project on June 26, 2018, at the Mountain Home Volunteer Fire Department in Mountain Home, Texas.
112. LCRA TSC held a second public open house meeting on November 7, 2018, at the Ingram Tom Moore High School in Ingram, Texas.

113. The purpose of the open house meetings was to solicit input from landowners, public officials, and other interested persons about the Project, the preliminary alternative route segments, and the alternative substation sites. Further, the open house meetings were designed to promote a better understanding of the Project, including the purpose, need, potential benefits and impacts, and Commission certification process; inform the public of the routing procedure, schedule, and route approval process; and gather and understand the values and concerns of the public and community leaders.
114. A total of 368 people signed in as attending the public open house meetings.
115. The more common concerns or issues presented by the landowners at the open house meetings and afterward were proximity of the routes and substation locations to homes; potential environmental impacts to wildlife habitat, trees, springs, and streams; aesthetic or visual impacts caused by visibility of the proposed transmission facilities; impacts to property values; and impacts on agricultural, recreational, residential, aviation, or other land uses.
116. POWER's routing analysis and LCRA TSC's eventual selection of the routes filed in the application incorporated information received from the public meetings and from local, state, and federal agencies.
117. POWER, in consultation with LCRA TSC, used information received from public meetings to modify several preliminary segments, to delete some segments, and to add routes from the Ingram Substation.
118. The study area is primarily rural with concentrations of residential and commercial development.
119. The predominant land use within the study area is rangeland and pastureland.
120. All of the segments proposed by LCRA TSC in this proceeding can be safely and reliably constructed and operated without significant adverse effects on livestock, ranching operations, or recreational uses of property.
121. LCRA TSC can safely operate and maintain the Project on any of the proposed routes, and no route or segment has a unique wildfire risk that would justify eliminating it from consideration.
122. Whenever possible, LCRA TSC and POWER avoided identifying alternative route segments near habitable structures.
123. The lengths of the primary alternative routes under consideration range from 61.22 to 70.77 miles.
124. All primary alternative routes are viable, feasible, and reasonable from environmental, engineering, and cost perspectives.

- 125. The greatest number of habitable structures within 300 feet of the centerline of any route is 76, on Route Ingram 2.
- 126. The least number of habitable structures within 300 feet of the centerline on any route is 23, on Route Hunt 18.
- 127. Route Hunt 37A has 37 habitable structures within 300 feet of the centerline, only 14 more than the route with the lowest number of habitable structures.

Parks and Recreational Areas

- 128. LCRA TSC and POWER properly identified and described park and recreational areas within the study area in Section 5.2.5 and Table 5-1 of the EA.
- 129. None of the alternative routes directly crosses any park or recreational areas as defined by the Commission's Standard Application for a CCN.
- 130. There are only two park or recreational areas located within 1,000 feet of the centerline of any of the alternative routes.
- 131. Only three routes (Routes Ingram 1, Ingram 7, and Ingram 11) have any parks or recreational areas within 1,000 feet of their centerline, and those routes each have only two parks or recreational areas within 1,000 feet of their centerline.
- 132. During construction, minor and temporary disruption to recreational users of the IH 10 Rest Area East Bound may occur; however, long-term impacts are not anticipated. Upon Project completion, recreational activities within this area would be anticipated to resume.
- 133. No significant impacts to the use of the parks and recreational facilities located within the study area are anticipated from any of the alternative routes.

Cultural, Historical, and Aesthetic Values

- 134. LCRA TSC has identified and summarized the number of known or recorded historic or prehistoric archaeological sites and cemeteries within 1,000 feet of the ROW of each proposed route.
- 135. There are 30 known archeological sites within 1,000 feet of the centerline of a primary alternative route.
- 136. Eight known archeological sites are crossed by alternative route ROW.
- 137. The minimum number of known archeological sites crossed by any route is zero, while the maximum is five.

138. The minimum number of additional known archaeological sites within 1,000 feet of the centerline of any route is one, while the maximum is seven.
139. The construction of the approved route is not expected to adversely affect archaeological or historical resources.
140. One measure of aesthetic values is the length of ROW that is within the foreground visual zone of U.S. and state highways, farm-to-market (FM) roads, and parks and recreational areas.
141. LCRA TSC and POWER determined and presented the lengths of each primary alternative route segment and primary alternative route within the foreground visual zone of U.S. and state highways, FM roads, and parks or recreational areas in Tables 5-1 and 5-2 of the EA.
142. Route Ingram 1 has the longest length within the foreground visual zone of U.S. and state highways, at approximately 10.63 miles, while Route Hunt 37A has the shortest length, approximately 2.83 miles.
143. Routes Hunt 36A and 37A have the longest length within the foreground visual zone of FM roads, at approximately 9.43 miles, while Routes Hunt 15 and 25 have the shortest length, approximately 1.79 miles.
144. Routes Ingram 1 and 7 have the longest length, approximately 1.4 miles, within the foreground visual zone of parks or recreational areas, while 27 other routes are tied for the shortest length, at 0.07 mile.

Environmental Integrity

145. LCRA TSC and POWER evaluated the impacts on environmental integrity from the Project, and set out such impacts in detail in the EA and summarized them in Section 5.0 of the EA.
146. Correspondence with Texas Natural Diversity Database (TXNDD), TPWD, and the U.S. Fish and Wildlife Service (USFWS) identifies five federally endangered or threatened animal species (birds), including the golden-cheeked warbler, for the study area, and the historical presence of a limited number of federally delisted, state-listed threatened or endangered, candidate, and potentially extirpated listed animal species within Gillespie, Kerr, and Kimble Counties, Texas.
147. None of the primary alternative routes has any length of ROW across known habitat of federally listed endangered or threatened species.
148. The Project is not anticipated to significantly adversely impact populations of any federally listed endangered or threatened species.

149. LCRA TSC can construct the Project in an ecologically sensitive manner on any currently proposed route without any significant adverse impact to Johnson Creek.
150. LCRA TSC will mitigate any effect on federally listed plant or animal species according to standard practices and measures taken in accordance with the Endangered Species Act.
151. It is appropriate that LCRA TSC protect raptors and migratory birds by following the procedures outlined in the following publications: *Reducing Avian Collisions with Power Lines: The State of the Art in 2012*, Edison Electric Institute and Avian Power Line Interaction Committee (APLIC), Washington, D.C. 2012; *Suggested Practices for Avian Protection on Power Lines: The State of the Art in 2006*, Edison Electric Institute, APLIC, and the California Energy Commission, Washington, D.C. and Sacramento, CA 2006; and *Avian Protection Plan Guidelines*, APLIC and USFWS, April 2005.
152. It is appropriate that LCRA TSC minimize the amount of flora and fauna disturbed during construction of the Project.
153. It is appropriate that LCRA TSC revegetate cleared and disturbed areas using native species and consider landowner preferences and wildlife needs in doing so.
154. It is appropriate that LCRA TSC avoid causing, to the maximum extent possible, adverse environmental burdens on sensitive plant and animal species and their habitats as identified by TPWD and USFWS.
155. It is appropriate that LCRA TSC implement erosion control measures and return each affected landowner's property to its original contours unless otherwise agreed to by the landowners. It is appropriate that LCRA TSC not be required to restore original contours and grades where different contours or grades are necessary to ensure the safety or stability of the Project's structures or the safe operation and maintenance of the Project.
156. It is appropriate that LCRA TSC exercise extreme care to avoid affecting non-targeted vegetation or animal life when using chemical herbicides to control vegetation within ROWs. The use of chemical herbicides to control vegetation within ROWs must comply with the rules and guidelines established in the Federal Insecticide, Fungicide, and Rodenticide Act and with the Texas Department of Agriculture regulations.
157. It is appropriate that LCRA TSC use best management practices to minimize the potential burdens on migratory birds and threatened or endangered species.
158. No significant impacts to wetland resources, ecological resources, endangered and threatened species, or land use are anticipated as a result of the construction of the Project.

Engineering Constraints

- 159. There are no significant engineering constraints along any of the alternative routes that cannot be adequately addressed by utilizing design and construction practices and techniques usual and customary in the electric utility industry.
- 160. All alternative routes are viable, feasible, and reasonable from an engineering perspective.

Costs, Use of Existing Compatible ROW, and Prudent Avoidance

- 161. LCRA TSC prepared cost estimates for all 40 alternative routes presented in the Application, as well as the additional routes presented for consideration in this proceeding.
- 162. Route Hunt 5A is estimated to be the least expensive route, with an estimated cost of \$61,220,000, which includes the cost of the new Mountain Home Substation.
- 163. Route Hunt 37A has an estimated cost of \$64,330,000, which includes the cost of the new Mountain Home Substation.
- 164. Route Hunt 27 is estimated to be the most expensive route, with an estimated cost of \$74,190,000, which includes the cost of the new Mountain Home Substation.
- 165. In developing alternative routes, LCRA TSC and POWER took into account the use or paralleling of existing ROWs (e.g., existing transmission lines, public roads and highways, railroads, and telephone utilities), apparent property boundaries, and natural or cultural features.
- 166. The highest percentage of paralleling of compatible ROWs or property boundaries is on Route Hunt 16, at 88 percent.
- 167. Route Hunt 37A parallels compatible ROW or property boundaries for 84 percent of its length.
- 168. The lowest percentage of paralleling of compatible ROWs or property boundaries is on Route Hunt 14, at 73 percent.
- 169. Prudent avoidance is defined in 16 TAC § 25.101(a)(6) as the “limiting of exposures to electric and magnetic fields that can be avoided with reasonable investments of money and effort.”
- 170. All of the routes presented in the Application conform to the Commission’s policy of prudent avoidance in that they reflect reasonable investments of money and effort to limit exposure to electric and magnetic fields.

171. The greatest number of habitable structures within 300 feet of the centerline of any route is 76, on Route Ingram 2.
172. The least number of habitable structures within 300 feet of the centerline on any route is 23, on Route Hunt 18.
173. Route Hunt 37A has 37 habitable structures within 300 feet of the centerline, which is only 14 more than the route with the lowest number of habitable structures.

Additional Routing Concerns

174. No known AM radio transmitters were identified within the study area or within 10,000 feet of the primary alternative routes.
175. The number of FM radio transmitters, microwave towers, and other electronic communication towers located within 2,000 feet of any of the primary alternative routes ranges from zero for numerous routes to five for Route Hunt 25.
176. The number of electronic installations within 2,000 feet of a primary alternative route centerline are shown in Table 5-1 of the EA, along with general descriptions of the installations and their distances from the nearest primary alternative route segment.
177. There are no Federal Aviation Administration (FAA) registered airports with a runway length of greater than 3,200 feet within 20,000 feet of any of the primary alternative routes.
178. The maximum number of private airstrips (with a runway length of 3,200 feet or less) within 10,000 feet of the centerline of one or more of the primary alternative routes is five, while the minimum is two.
179. There are no public FAA-registered airports or military airstrips with runways shorter than 3,200 feet within 20,000 feet of the centerline of any of the primary alternative routes.
180. The maximum number of heliports within 5,000 feet of the centerline of one or more of the primary alternative routes is two, while the minimum is zero.
181. LCRA TSC has identified, listed, and described each airport, airstrip, and heliport, with the approximate distance from the centerline of each of the primary alternative routes in the EA, on pages 5-31 through 5-33 (Section 5.2.4.2 and Table 5-43) and in Appendix C.
182. None of the alternative routes presented in the Application or proposed by other parties crosses land irrigated by traveling irrigation systems.
183. The presence of transmission facilities along the alternative routes is not expected to adversely affect any agricultural lands with known traveling irrigation systems.

184. Aside from the original segments and primary alternative routes proposed in the Application, additional segments and alternative routes were proposed and identified in rebuttal testimony and after the hearing that would have less negative impact on landowners.
185. Each of the alternative routes incorporating such modified segments is acceptable, feasible, and constructible.

TPWD's Comments and Recommendations

186. TPWD provided information and recommendations regarding the preliminary study area for the Project to POWER on June 20, 2018.
187. TPWD provided additional information and recommendations regarding the study area for the Project to POWER on November 16, 2018, after LCRA TSC expanded the original study area to include approximately 17 additional square miles.
188. On July 25, 2019, TPWD filed a letter containing its comments and recommendations regarding the Project.
189. In its comments and its testimony, TPWD recommended Route Ingram 1 for the Project.
190. POWER and LCRA TSC have taken into consideration TPWD's recommendations.
191. Once a route is approved by the Commission, LCRA TSC can undertake on-the-ground measures to identify potential endangered or threatened species habitat and respond appropriately.
192. LCRA TSC will use avoidance and mitigation procedures to comply with laws protecting federally listed species.
193. LCRA TSC will revegetate the new ROW as necessary and according to LCRA TSC's vegetation management practices, the Storm Water Pollution Prevention Plan (SWPPP) developed for construction of the Project, and, in many instances, landowner preferences or requests.
194. LCRA TSC's standard vegetation removal, construction, and maintenance practices adequately mitigate concerns expressed by TPWD.
195. LCRA TSC will use appropriate avian protection procedures.
196. LCRA TSC will comply with all environmental laws and regulations, including those governing threatened and endangered species.

197. LCRA TSC will comply with all applicable regulatory requirements in constructing the proposed transmission facilities, including any applicable requirements under Section 404 of the Clean Water Act.
198. LCRA TSC will cooperate with USFWS and TPWD if threatened or endangered species habitats are identified during field surveys.
199. Environmental permitting and mitigation measures are determined after a route is approved by the Commission and on-the-ground surveys are completed for the route. Should construction impact federally listed species or their habitat or impact water under the jurisdiction of the U.S. Army Corps of Engineers or the Texas Commission on Environmental Quality (TCEQ), LCRA TSC will cooperate with the USFWS, U.S. Army Corps of Engineers and TCEQ to obtain permits and any required mitigation.
200. The standard mitigation requirements included in the ordering paragraphs in this Order, coupled with LCRA TSC's current practices, are reasonable measures for a utility to undertake when constructing a transmission line and are sufficient to address TPWD's comments and recommendations.
201. Route Hunt 37A does not include any of the route segments TPWD identified as concerning with regard to the Heart of the Hills Fisheries Science Center owned and managed by TPWD.

Effect on the State's Renewable Energy Goal

202. The Texas Legislature established a goal in PURA § 39.904(a) for 10,000 MW of renewable capacity to be installed in Texas by January 1, 2025. This goal has already been met.
203. The proposed Project will not adversely affect the goal for renewable energy development established in PURA § 39.904(a).

Limitation of Authority

204. It is reasonable and appropriate for a CCN order not to be valid indefinitely because it is issued based on the facts known at the time of issuance.
205. Seven years is a reasonable and appropriate limit to place on the authority granted in this Order for LCRA TSC to construct the Project.

B. Conclusions of Law

1. LCRA TSC is an electric utility as defined in PURA §§ 11.004(1) and 31.002(6).

2. The Commission has jurisdiction over this matter pursuant to PURA §§ 14.001, 32.001, 37.051, 37.053, 37.054, and 37.056.
3. LCRA TSC must obtain the approval of the Commission to construct the proposed transmission facilities and provide service to the public using those facilities.
4. SOAH has jurisdiction to conduct a hearing on the merits and prepare a proposal for decision as required by PURA § 14.053 and Texas Government Code § 2003.049.
5. LCRA TSC has the burden of proof in this proceeding. 16 TAC § 155.427.
6. The Application is sufficient under 16 TAC § 22.75(d).
7. This docket was processed in accordance with the requirements of PURA, Texas Government Code §§ 2001.001-.902, and the Commission's rules.
8. LCRA TSC provided proper notice of the Application in compliance with PURA § 37.054 and 16 TAC § 22.52(a).
9. Additional notice of the approved route is not required under 16 TAC § 22.52(a)(2) because it is wholly composed of properly noticed segments contained in the original CCN application or modifications agreed to by all affected landowners.
10. LCRA TSC provided notice of the public open house meetings in compliance with 16 TAC § 22.52(a)(4).
11. The hearing on the merits was set and notice of the hearing was provided in compliance with PURA § 37.054 and Texas Government Code §§ 2001.051-.052.
12. LCRA TSC is entitled to approval of the Application, as described in the findings of fact, having demonstrated that the Project is necessary for the service, accommodation, convenience, and safety of the public within the meaning of PURA § 37.056, taking into consideration the factors set out in PURA § 37.056(c) and 16 TAC § 25.101(b)(3)(B).
13. The Texas Coastal Management Program does not apply to any of the transmission facilities proposed in the Application and the requirements of 16 TAC § 25.102 do not apply to the Application.

C. Proposed Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders:

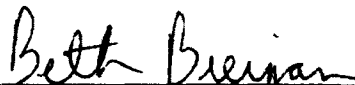
1. The Commission adopts the proposal for decision, including findings of fact and conclusions of law, except as discussed in this Order.

2. The Commission amends LCRA TSC's CCN No. 30110 to include the construction and operation of the Mountain Home Substation, a new load-serving electric substation near the Mountain Home community in northern Kerr County, and a new 138-kV transmission line that will connect the new Mountain Home Substation to the existing Harper Substation to the north, and to the Hunt Substation to the south. The new Mountain Home Substation will be located at proposed substation site 3 and the new transmission line shall be built using Segments X3-B-F-I5-C5-V4-Z3-W4-T4-SUB 3-L1-N1-Z1-B2-F2-I3-J3-M3-R3.
3. LCRA TSC must consult with pipeline owners or operators in the vicinity of the approved route regarding the pipeline owners' or operators' assessment of the need to install measures to mitigate the effects of alternating current interference on existing natural gas pipelines paralleled by the proposed electric transmission facilities.
4. LCRA TSC must conduct surveys, if not already completed, to identify metallic pipelines that could be affected by the transmission line and coordinate with pipeline owners in modeling and analyzing potential hazards because of alternating current interference affecting metallic pipelines being paralleled.
5. LCRA TSC must obtain all permits, licenses, plans, and permissions required by state and federal law that are necessary to construct the proposed transmission facilities, and if LCRA TSC fails to obtain any such permit, license, plan, or permission, they must notify the Commission immediately.
6. LCRA TSC must identify any additional permits that are necessary, consult any required agencies (such as the U.S. Army Corps of Engineers and USFWS), obtain all necessary environmental permits, and comply with the relevant conditions during construction and operation of the transmission facilities approved by this Order.
7. Before commencing construction, LCRA TSC must obtain a general permit to discharge under the Texas pollutant discharge elimination system for stormwater discharges associated with construction activities as required by the TCEQ. In addition, because more than five acres will be disturbed during construction of the transmission facilities, LCRA TSC must, before commencing construction, prepare the necessary stormwater-pollution-prevention plan, submit a notice of intent to the TCEQ, and comply with all other applicable requirements of the general permit.
8. In the event LCRA TSC encounters any archeological artifacts or other cultural resources during construction, work must cease immediately in the vicinity of the artifact or resource. LCRA TSC must report the discovery to, and take action as directed by, the Texas Historical Commission.
9. Before beginning construction, LCRA TSC must undertake appropriate measures to identify whether potential habitat for endangered or threatened species exists and must respond as required.

10. LCRA TSC must use best management practices to minimize the potential impact to migratory birds and threatened or endangered species.
11. LCRA TSC must follow the procedures to protect raptors and migratory birds as outlined in the publications: *Reducing Avian Collisions with Power Lines: State of the Art in 2012*, Edison Electric Institute and APLIC, Washington, D.C. 2012; *Suggested Practices for Avian Protection on Power Lines, The State of the Art in 2006*, Edison Electric Institute, APLIC, and the California Energy Commission, Washington, D.C. and Sacramento, CA 2006; and *Avian Protection Plan Guidelines*, APLIC and USFWS, 2005. LCRA TSC must take precautions to avoid disturbing occupied nests and take steps to minimize the impact of construction on migratory birds during the nesting season of the migratory bird species identified in the area of construction.
12. LCRA TSC must exercise extreme care to avoid affecting non-targeted vegetation or animal life when using chemical herbicides to control vegetation within the ROW, and must ensure that such herbicide use complies with rules and guidelines established in the Federal Insecticide, Fungicide and Rodenticide Act and with Texas Department of Agriculture regulations.
13. LCRA TSC must minimize the amount of flora and fauna disturbed during construction of the Project, except to the extent necessary to establish appropriate ROW clearance for the Project. In addition, LCRA TSC must re-vegetate using native species and must consider landowner preferences and wildlife needs in doing so. Furthermore, to the maximum extent practical, LCRA TSC must avoid adverse environmental impact to sensitive plant and animal species and their habitats, as identified by TPWD and USFWS.
14. LCRA TSC must implement erosion control measures as appropriate. Erosion control measures may include inspection of the ROW before and during construction to identify erosion areas and implement special precautions as determined reasonable to minimize the impact of vehicular traffic over the areas. LCRA TSC must return each affected landowner's property to its original contours and grades unless otherwise agreed to by the landowner or the landowner's representative. LCRA TSC will not be required to restore original contours and grades where a different contour or grade is necessary to ensure the safety or stability of the Project's structures or the safe operation and maintenance of the Project.
15. LCRA TSC must cooperate with directly affected landowners to implement minor deviations from the approved route to minimize the disruptive effect of the Project. Any minor deviations in the approved route must only directly affect the landowners who were sent notice of the Project in accordance with 16 TAC § 22.52(a)(3) and landowners who have agreed to the minor deviation.
16. The Commission does not permit LCRA TSC to deviate from the approved route in any instance in which the deviation would be more than a minor deviation without further amending its CCN.

17. If possible, and subject to the other provisions of this Order, LCRA TSC must prudently implement appropriate final design for the Project so as to avoid being subject to the FAA's notification requirements. If required by federal law, LCRA TSC must notify and work with the FAA to ensure compliance with applicable federal laws and regulations. LCRA TSC is not authorized to deviate materially from this Order to meet the FAA's recommendations or requirements. If a material change would be necessary to comply with the FAA's recommendations or requirements, then LCRA TSC must file an application to amend its CCN as necessary.
18. LCRA TSC must include the transmission facilities approved by this Order on its monthly construction progress reports before the start of construction to reflect the final estimated cost and schedule in accordance with 16 TAC § 25.83(b). In addition, LCRA TSC must provide final construction costs, with any necessary explanation for cost variance, after completion of construction when all costs have been identified.
19. The Commission limits the authority granted by this Order to a period of seven years from the date this Order is signed unless the transmission facilities are commercially energized before that time.
20. All other motions, requests for entry of specific findings of fact or conclusions of law, and any other requests for general or specific relief, if not expressly granted, are denied.

SIGNED April 21, 2020.



BETH BIERMAN
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS



LINDA H. BRITE
ADMINISTRATIVE LAW JUDGE
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SERVICE LIST

AGENCY: Public Utility Commission of Texas (PUC)

STYLE/CASE: APPLICATION OF LCRA TRANSMISSION SERVICES CORPORATION TO AMEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY FOR THE MOUNTAIN HOME 138-KV TRANSMISSION LINE IN GILLESPIE, KERR, AND KIMBLE COUNTIES

SOAH DOCKET NUMBER: 473-19-6766

REFERRING AGENCY CASE: 49523

**STATE OFFICE OF ADMINISTRATIVE
HEARINGS**

**ADMINISTRATIVE LAW JUDGE
ALJ BETH E. BIERMAN**

REPRESENTATIVE / ADDRESS

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